

CHAPTER 9

ARMY PLANNING, PROGRAMMING, BUDGETING, AND EXECUTION SYSTEM

Prior to the era of Secretary of Defense McNamara, each Service essentially established its own single-year budget and submitted it to Congress annually. Secretary McNamara, however, applied a different approach founded on a study by the RAND Corporation. He required the Services to prepare a single document, the then Five Year Defense Program, or FYDP, which detailed their resource requirements on a multi-year basis. He established himself as the sole authority for approving changes to the FYDP, and Services that desired change to the approved FYDP had to obtain his approval. That formed the rudimentary beginning of the DOD Planning, Programming, and Budgeting System, or PPBS, which has changed substantially over the intervening years.

This chapter describes how, at the beginning of 1999, the PPBS and its Army counterpart Planning, Programming, Budgeting, and Execution System help acquire, allocate, and manage resources for military functions.

INTRODUCTION

Prescribed by *Army Regulation 1-1*, the Army Planning, Programming, Budgeting, and Execution System (PPBES) makes up the Army component of the Department of Defense (DOD) Planning, Programming, and Budgeting System (PPBS) governed by *DOD Directive 7045.14* and *DOD Instruction 7045.7*.

This chapter describes the PPBES in relation to its parent PPBS. It covers system responsibilities, outlines its operational structure, and discusses its phase-by-phase biennial process.

PPBS STRUCTURE

The DOD PPBS.

The PPBS is DOD's primary resource management system for the department's military functions. Its purpose is to produce a plan, a program, and finally the defense budget. The system documents the program and budget as the Future Years Defense Program (FYDP).

The Future Years Defense Program.

The FYDP officially summarizes forces and resources for programs developed within

the DOD PPBS and approved by the Secretary of Defense (SECDEF). The FYDP specifies force levels and lists corresponding total obligation authority (TOA) and manpower. For example, in addition to historical data, the FYDP for the FY 2000-2001 Budget would:

- Record totals for each resource group by prior fiscal year (PY), current fiscal year (CY), and the FY 2000-2001 budget years (BYs) as shown in Figure 9-1.

**Resources in the FYDP
Reflecting the FY 00-01 Budget**

budget years				program years						
PY	CY	BY	BY	1	2	3	4	5	6	7
FY 98	99	00	01	02	03	04	05	06	07	08
\$TOA & Manpower										
Forces										

Figure 9-1

- Extend TOA and manpower totals 4 years beyond the FY 2001 Budget to FY 2005.
- Extend force totals 7 years beyond the FY 2001 Budget to FY 2008.
- The FYDP comprises 11 major defense programs. Figure 9-2 lists the programs together with Army subprograms and Army proponent agencies. Each program reflects a DOD force or support mission and is formed from an aggregation of program elements (PEs). PEs identify specific activities, projects, or functions and contain the resources needed to achieve an objective or plan. Shared to the greatest extent practicable by the Military Services and Defense agencies, PEs permit cross-service analysis by OSD and congressional staff members. Approval

authority for PEs therefore resides with OSD's Director of Program Analysis and Evaluation, who fully coordinates changes with the Services, agencies, and OSD staff elements.

FYDP Major Defense Programs and Subprograms with Army Proponent Agencies		
Nr	Major defense program	Proponent ¹
1.	Strategic Forces	DCSOPS
2.	General Purpose Forces	DCSOPS
3.	Communications, Intelligence, and Space	
	Communications	DISC4
	Intelligence	DCSINT/DCSOPS ²
	Space	SMDC ³
4.	Mobility	DCSOPS
5.	Guard and Reserve Forces	ASA (FM&C)
	Army National Guard	DARNG
	Army Reserve	CAR
6.	Research and Development	ASA (ALT)
7.	Central Supply and Maintenance	ASA (FM&C)
8.	Training, Health and Other Personnel Activities	
	Training	DCSOPS
	Health	MEDCOM ⁴
	Other Personnel Activities	DCSPER
9.	Administration	DCSPER
10.	Support of Other Nations	DCSPER
11.	Special Operations Forces	DCSOPS

Notes —¹ Within each applicable program, ACSIM serves as proponent for base operations and real property services and ASA (M&RA) serves as proponent for management headquarters and manpower functions.

² DCSINT is the resource proponent for operational and strategic intelligence.

DCSOPS is the resource proponent for tactical intelligence.

³ U.S. Army Space and Missile Defense Command.

⁴ The U.S. Army Medical Command performs functions of The Surgeon General (TSG).

Figure 9-2

HQDA submits the Army portion of the FYDP to OSD electronically, typically 3 times a year. During even years, one submission records the Program Objective Memorandum (POM); during odd years it records a POM update. A second submission each year records the Army's annual Budget Estimates submission (BES). A third records the President's Budget. For each of these FYDP positions, OSD publishes a Summary and Program Element Detail volume on a CD ROM. OSD also publishes corresponding positions for the RDTE, procurement, and military construction appropriations annexes.

Per Section 221, Title 10, United States Code (10 USC 221), DOD provides a data file copy of the President's Budget FYDP to the General Accounting Office (GAO). GAO, in

turn, makes the file available to the Congressional Budget Office (CBO) and congressional committees. DOD retains other issues of the FYDP within DOD.

A DYNAMIC SYSTEM

A brief look at the introduction of the PPBS and its subsequent changes reveals a dynamic system that after 30 years continues to evolve. By presidential administration, the changes are as follows.

1962—Kennedy/McNamara. The DOD PPBS began in 1962 as a management innovation of President Kennedy's Secretary of Defense, Robert McNamara. Before McNamara, each Military Department had prepared its budget following its Service interests with very little guidance. Previous SECDEF involvement was for the most part limited to dividing DOD's budget ceiling between the Services. If the Services exceeded their "share of the pie," the SECDEF would reduce their budget, usually by a percentage cut across the appropriations. The PPBS changed all this.

Based on a concept developed at the RAND Corporation in the 1950s, it introduced a multi-year programmatic focus. Annual ceiling reductions gave way to analysis centered on 10 major force and support programs over a five-year program period.

1969—Nixon/Laird. The first major change in PPBS occurred under President Nixon's Secretary of Defense, Melvin Laird. The Laird management style stressed participatory management. OSD no longer initiated detailed program proposals; they reviewed those put forward by the Services using specific budgetary ceilings.

1977—Carter/Brown. President Carter introduced Zero-Based Budgeting (ZBB) to the Federal Budget. It achieved only limited success. The goal of ZBB was to more clearly identify marginal programs. "Decision packages" were arrayed at three different resource levels, giving OSD greater opportunity to alter Service program proposals. Each Service developed procedures to array the decision packages. As an aid in building and displaying its program, the Army installed a Program Development Increment Package (PDIP). Used internally and not reflected in programs and budgets forwarded by the Army, the PDIP has since evolved into a Management Decision Package (MDEP). In 1979, as a result of a RAND Corporation study (the *Rice Study*), Secretary of Defense Brown formed the Defense Resources Board (DRB) to manage the PPBS process more effectively. The DRB consisted of various under and assistant secretaries in OSD and the Chairman of the Joint Chiefs of Staff (CJCS).

1981—Reagan/Weinberger. The Reagan Administration pledged to revitalize American military strength in the most effective and economical manner. This objective led to significant changes to PPBS known as the *Carlucci initiatives* (Frank Carlucci was the Deputy Secretary of Defense (DEPSECDEF) and Chairman of the DRB). Initiatives included a greater emphasis on long-range planning, a greater decentralization of authority to the Services, closer attention to cost savings and efficiencies, a refocus of DRB Program Review on major issues only, and a general streamlining of the entire PPBS process. The DRB was restructured to include the Service Secretaries as full members. The DRB would now review and approve policy and strategy in the planning phase (development of Defense Guidance).

Commanders in chief (CINCs) of the unified commands would now be invited twice a year to participate in crucial DRB deliberations during the planning and programming phases (development of Defense Guidance & DRB Program Review).

1984—Army/Air Force Joint Memorandum of Agreement. In 1984, Army Chief of Staff, General Wickham, and Air Force Chief of Staff, General Gabriel, signed a Joint Memorandum of Agreement aimed at improved coordination of budget priorities, elimination of duplicative functions, and more efficient joint operations in the AirLand Battle during war. The Joint Memorandum of Agreement was not a DOD initiative, but had direct impact on DOD PPBS. The memorandum addressed overlap in existing Army and Air Force roles and missions. The memorandum was an effort to reduce resource redundancy and interservice rivalry for limited resources. It stressed Army and Air Force cooperation during program development. Interservice debate over program issues was to be resolved during program development and not during annual DRB Program Review.

1984—Enhancement of the Role of the CINC in the PPBS. DEPSECDEF Taft introduced procedures to allow the CINCs a greater voice in the POM development process and the DRB Program Review. The procedures included: CINC submission of prioritized requirements (via Integrated Priority Lists (IPLs)); tracking CINC concerns during POM development and execution; visibility of CINC requirements in the POMs; enhanced participation of the CINCs in DRB Program Review process; and enhanced role for the Joint Chiefs of Staff (JCS) in the review and coordination of CINC concerns.

1986—Conversion from Annual to Biennial PPBS Cycle. In response to his Blue Ribbon Commission on Defense Management (the *Packard Commission*) and the DOD Authorization Act of 1986 (*Public Law 99-145*), President Reagan issued *National Security Decision Directive (NSDD) 219*, directing that the Office of Management and Budget (OMB) and the DOD produce a 2-year budget beginning with the FY 1988 and FY 1989 budget years. In response to this direction, OSD and the Military Departments have implemented a biennial PPBS process. In practice, however, Congress still requires an annual budget submission, compelling an off cycle update for the second budget year.

1987—CINC Capabilities to Participate Effectively in the PPBS Budget Phase. Earlier DRB decisions gave the CINCs a role in the planning and programming phases of the PPBS. In October 87 the DRB expanded the CINC's role to include the budget review and execution phase.

1989—Bush/Cheney. During the early stages of DOD downsizing, President Bush instituted a series of Defense Management Review Decisions. In another initiative, Secretary of Defense Cheney modified the framework for PPBS decisionmaking, including in the structure a core group of DOD officials he used to help manage the Department.

1993—Clinton/Aspin, Perry, Cohen. DOD downsizing continues under the Clinton Administration guided initially by Secretary of Defense Les Aspin's Bottom Up Review and later to be guided by the results of the *Defense Performance Review, Commission on Roles and Missions of the Armed Forces*, and 1997 *Quadrennial*

Defense Review. The Clinton administration continues the PPBS framework used during the Bush Administration, using a core group of DOD managers and several review forums including a Program Review Group (PRG) expanded by the Administration.

Core DOD Managers.

DOD officials, who serve as the core group of DOD managers, include the following:

The Deputy Secretary of Defense (DEPSECDEF) assists the SECDEF in overall leadership of the department. He exercises authority delegated by the SECDEF and conducts the day-to-day operation of DOD. The DEPSECDEF manages the PPBS.

The Chairman of the Joint Chiefs of Staff (CJCS) assists the President and SECDEF in providing for the strategic direction of the armed forces. The CJCS serves as the principal military adviser to the President and SECDEF. Shouldering responsibilities for planning, advising, and policy formulation, the CJCS participates in DOD's senior councils, where he speaks for the Joint Chiefs of Staff (JCS) and the CINCs.

The Vice Chairman (VCJCS), who is the second-ranking member of the Armed Forces, acts for the Chairman in his absence.

The Service Secretaries convey the Service perspective on defense matters to the SECDEF and DEPSECDEF and, as key advisers, provide them with candid personal views.

The Under Secretary of Defense (Acquisition and Technology) (USD A&T) exercises responsibility for acquisition matters

DOD-wide and serves as the Defense Acquisition Executive (DAE).

The Under Secretary of Defense (Policy) represents DOD on foreign relations and arms control matters and serves as the principal adviser to the DEPSECDEF for the PPBS planning phase.

Defense Resources Board.

The Defense Resources Board (DRB) assists the SECDEF and DEPSECDEF in making major program decisions. The DEPSECDEF chairs the DRB with the CJCS serving as vice chairman. Members include:

- From OSD: the Under Secretaries of Defense for Acquisition and Technology, Policy, Comptroller, and Personnel and Readiness.
- From the Joint Staff and Services: the VCJCS and Secretaries of the Military Departments, who normally are accompanied by Chiefs of Services.
- The DEPSECDEF designates other OSD principals to participate in DRB deliberations as necessary.

Considering broad policy and developing guidance on high-priority objectives, the DRB helps promote long-range planning and stability in the Defense program. Among other functions, the DRB:

- Reviews guidance for planning and programming.
- Evaluates high-priority programs.
- Considers the effect of resource decisions on baseline cost, schedule, and performance of major acquisition programs and aligns the programs with the PPBS.

- Helps tie the allocation of resources for specific programs and forces to national policies.
- Reviews the program and budget.
- Reviews execution of selected programs.
- Advises the SECDEF on policy, PPBS issues, and proposed decisions.

When it meets to deliberate major issues on DOD-funded intelligence programs, the DRB expands to include representatives from appropriate intelligence agencies. The DEPSECDEF and Director of Central Intelligence co-chair this Expanded DRB (EDRB).

The Director for PA&E acts as Executive Secretary for both the DRB and EDRB. In this capacity, the Director for PA&E manages the program review process and, with the chairs of the EDRB, the intelligence program review. The Director for PA&E also manages the preparation of Program Decision Memoranda (PDM) including intelligence PDM (IPDM).

Program Review Group.

The PRG identifies major issues, analyzes them, and develops decision options for the DRB. The Director for PA&E chairs the group. Members include:

- From OSD: the Principal Deputy Under Secretaries of Defense for Acquisition and Technology and for Comptroller and Assistant Secretaries of Defense for Strategy and Requirements, C3I, Force Management Policy, Health Affairs, and Reserve Affairs.
- From the Joint Staff: the Director for Force Structure, Resources, and Assessment (J8).

- From the Services: the Army Assistant Vice Chief of Staff, the Deputy Chief of Naval Operations (Resources, Warfare Requirements and Assessments), the Marine Corps Deputy Chief of Staff (Programs and Resources), and the Air Force, Deputy Chief of Staff for Plans and Programs.

The PRG chairman invites other OSD principals to participate in the panel's sessions as appropriate.

Intelligence Program Review Group

The Intelligence Program Review Group (IPRG) identifies opportunities to advance the U.S. Intelligence Strategy by affecting programs and funding for U.S. Intelligence. It evaluates potential program changes from a mission perspective, considers tradeoffs, and forwards issue analyses to the EDRB for consideration.

The Deputy Assistant Secretary of Defense for Intelligence and the Executive of Intelligence Community Affairs co-chair the IPRG. Members include representatives of all Executive Branch organizations that manage or oversee intelligence capabilities.

Defense Acquisition Board and Joint Requirements Oversight Council.

As chairman and vice chairman, respectively, the USD (Acquisition and Technology) and VCJCS direct the efforts of the Defense Acquisition Board (DAB). The DAB oversees defense system acquisition, providing discipline through review of major programs. At each milestone in the system's life cycle, the Board assures that programs have

met established performance requirements, including program-specific exit criteria.

The USD (Acquisition and Technology), with the DAB and JROC (below), helps link the acquisition process to planning, programming, and budgeting. Serving as a key adviser to the SECDEF and DEPSECDEF, the USD (Acquisition and Technology) participates in all resource decisions affecting the baselines of major acquisition programs, including costs, schedules, and performance.

The VCJCS chairs the Joint Requirements Oversight Council (JROC). Through the Joint Warfighting Capability Assessment (JWCA) process and JROC Review Board (JRB), the JROC explores new alternatives by assessing joint military warfighting capabilities and requirements posed by the CINCs, Services, Joint Staff, and supported defense agencies. The forum helps forge consensus underlying the Chairman's statutory advice to the SECDEF on program and budget proposals. The JROC also helps the DAB and USD (Acquisition and Technology) articulate military needs and validate performance goals and program baselines at successive milestones of each DAB program.

Control of Planning, Programming, and Budgeting Documents.

Papers and associated data sponsored by the DOD PPBS give details of proposed programs and plans. The proposals often state candidate positions and competing options that remain undecided until final approval. Access to such tentative material by other than those directly involved in planning and allocating resources would frustrate the candor and privacy of leadership deliberations. Moreover,

access by private firms seeking DOD contracts would imperil competition and pose serious ethical, even criminal, problems for those involved. For these reasons, DOD closely controls documents produced through the DOD PPBS and its supporting databases. Thus, OSD restricts access to DOD and other governmental agencies directly involved in planning, programming, and budgeting defense resources, primarily OMB. The list that follows cites some of the major PPBS documents and material requiring restricted access.

- Planning phase.
DPG.
- Programming phase.
Fiscal guidance.
POM
FYDP documentation including FYDP annexes.
Issue papers (for example, major issue papers, cover briefs).
Proposed military department program reductions (or program offsets).
Tentative issue decision memoranda.
Program Decision Memorandum (PDM).
- Budgeting phase.
FYDP documents for the September budget estimates submission and President's Budget, including procurement, RDT&E, and construction annexes
Program Budget Decisions (PBDs).
Probe generated automated Program and Financing Statements.
Reports generated by the automated Budget Review System (BRS).
DD Form 1414 Base for Reprogramming.
DD Form 1416 Report of Programs.
Congressional data sheets.

Exceptions to the limitations described require SECDEF approval. After coordination with the General Counsel, Army proponents may request an exception, but only for compelling need. Statutes and other procedures govern disclosure of information to Congress and the General Accounting Office (GAO).

THE ARMY PPBES

Army's Primary Resource Management System.

The PPBES is the Army's primary resource management system. A major decisionmaking process, the PPBES interfaces with joint strategic planning and with planning conducted by the Office of the Secretary of Defense (OSD). Linking directly to OSD programming and budgeting, the PPBES develops and maintains the Army portion of the defense program and budget. The PPBES supports Army planning, program development and budget preparation at all levels of command. Similarly supporting program and budget execution, it provides feedback to the planning, programming, and budgeting processes.

PPBES Concept.

The PPBES ties strategy, program, and budget all together. It helps build a comprehensive plan in which budgets flow from programs, programs from requirements, requirements from missions, and missions from national security objectives. The patterned flow from end purpose to resource cost defines requirements in progressively greater detail.

Long-range planning creates a vision of the Army 20 years into the future. In the 2- to

10-year midterm, long-range macro estimates give way to a specified size, composition, and quality of divisional and support forces. Derived from joint strategic planning and intermediate objectives to achieve long-range goals, this force provides the planning foundation for program requirements.

In the midterm, guided by force requirements, the integrated program-budget process distributes projected resources. It seeks to support priorities and policies of the senior Army leadership while achieving balance among Army organizations, systems, and functions. For the 0- to 2-year near-term, the integrated process converts program requirements into budget requests for manpower and dollars. When enacted into appropriations and manpower authorizations, these resources become available to carry out approved programs.

By formally adding execution to the traditional emphasis on planning, programming, and budgeting the Army emphasizes concern for how well program, performance, and financial execution apply allocated resources to meet requirements.

Documents produced within the PPBES support defense decisionmaking, and the review and discussion that attend their development help shape the outcome. The following are examples.

- The Army helps prepare Defense Planning Guidance (DPG) and planning documents produced by the Joint Strategic Planning System (JSPS). The participation influences policy, strategy, and force objectives considered by the SECDEF and the CJCS, including policies for development, acquisition, and other resource allocation issues.
- Major Army Command (MACOM) commanders, PEOs, PMs, and heads

of operating agencies similarly influence positions and decisions taken by the Secretary of the Army (SA) and Chief of Staff, Army (CSA). The commanders and heads of agencies develop and submit force-structure, procurement, and construction requirements; assessments; and data to support program and budget development. They also make their views known through periodic commanders' conferences held by the CSA on the proposed plan, program, and budget.

- The CINCs influence Army positions and decisions through MACOM commanders serving as Army Service Component Command (ASCC) commanders, who integrate CINC operational requirements into their program and budget submissions. CINCs also highlight pressing requirements in an IPL that receives close review during program development.

PPBES Objectives.

A main objective of the PPBES is to provide essential focus on Departmental policy and priorities for Army functional activities during all phases of the PPBES. Phase by phase objectives are as follows:

- Through planning, to size, structure, man, equip, train, and sustain the Army force to support the national military strategy.
- Through integrated programming and budgeting, to
 - Distribute projected manpower, dollars, and materiel among competing requirements according

to Army resource allocation policy and priorities, making sure that requirements get resourced at defensible, executable levels.

- Convert resource allocation decisions into requests for congressional authorization and appropriations.
- Through program execution, to apply resources to achieve approved program objectives, and adjust resource requirements based on execution feedback.
- Through budget execution, to manage and account for funds to carry out approved programs.

PPBES RESPONSIBILITIES

Secretarial Oversight.

PPBES Oversight and Armywide Policy Development. The Assistant Secretary of the Army (Financial Management and Comptroller) (ASA (FM&C)) oversees the PPBES and the development and promulgation of Armywide PPBES policy. The ASA (FM&C) also oversees all Army appropriations and serves as the sponsor for all appropriations except Army National Guard (ARNG) and U.S. Army Reserve (USAR) appropriations.

Functional oversight. Principal officials of the Office of the Secretary of the Army (OSA) oversee operation of the PPBES process within assigned functional areas and provide related policy and direction.

System Management.

The ASA (FM&C), with the Director of Program Analysis and Evaluation (DPAE), manages the PPBES. As provided below, the

DCSOPS, DPAE, and ASA (FM&C) manage functional phases of the system, each establishing and supervising policies and procedures necessary to carry out phase functions.

Planning Phase.

Deputy Chief of Staff for Operations and Plans. The DCSOPS manages the PPBES planning phase and:

- Administers the Army Planning System (APS) to meet and complement the demands of the JSPS and the Joint Operational Planning and Execution System (JOPES).
- Makes sure, through the U.S. Army Training and Doctrine Command (TRADOC), that CINC-required warfighting capabilities and those developed through JSPS and JOPES are integrated into the Army Requirements Determination process.
- Integrates the views of Headquarters Department of the Army (HQDA) principal officials on Army missions and capabilities consonant with national security objectives and DOD guidance. Based on the integrated view, recommends Army priorities to the CSA for approval by the SA.
- Develops the program force.
- Determines force-related requirements of the Total Army—Active Army, ARNG, and USAR that includes
 - developing near-, mid-, and long-term force requirements;
 - developing requirements for organization, force structure, personnel, materiel, command and control, mobilization, facilities, and training devices; and

with the Assistant Secretary of the Army (Acquisition, Logistics and Technology,) preparing the Army Modernization Plan (AMP), and Research, Development, and Acquisition Plan (RDAP).

- Serves as Army manager for force

Managers for Manpower and Force Structure Issues	
Issue	Manager
Force structure/UIC	DCSOPS
Military (Active)	ASA (M&RA)
Army National Guard Manpower	DARNG
U.S. Army Reserve Manpower	CAR
Civilian (end strength)	ASA (M&RA)
Individuals account	DCSPER
Army Management Headquarters Activities (AMHA)	ASA (M&RA)
Joint and Defense Accounts	ASA (M&RA)

Figure 9-3

structure issues (Figure 9-3), and performs programming and budgeting assignments listed in Figures 9-4 and 9-5.

Prepares Army Strategic Planning Guidance (ASPG), which is incorporated in The Army Plan (TAP).

Documents in the TAP, policy set by the senior leadership and leadership priorities for force related resource requirements, midterm objectives for long term related resource requirements, midterm objectives for long term functional goals, and approved base force levels developed through Total Army Analysis (TAA).

Army Appropriation and Fund Managers			
Resource identification code	Appropriation (fund) ¹	Manager for requirements determination	Manager for program and performance
Investment			
RDTE	Research, Development, Test, and Evaluation, Army	DCSOPS	ASA (ALT)
CHEM	Chemical Agents and Munitions Destruction, Army	DSCSOPS	ASA (ALT)
ACFT (APA)	Aircraft Procurement, Army	DCSOPS	ASA (ALT)
MSLS (MIPA)	Missile Procurement, Army	DCSOPS	ASA (ALT)
WTCV	Procurement of Weapons and Tracked Combat Vehicles, Army	DCSOPS	ASA (ALT)
AMMO (PAA)	Procurement of Ammunition, Army	DCSOPS	ASA (ALT)
OPA	Other Procurement, Army	DCSOPS	ASA (ALT)
	OPA 1	DCSOPS	ASA (ALT)
	OPA 2	DCSOPS	ASA (ALT), DISC4
	OPA 3	DCSOPS	ASA (ALT)
	OPA 4	DCSOPS	ASA (ALT)
MCA	Military Construction, Army	ACSIM	ACSIM
MCNG	Military Construction, Army National Guard	DARNG, ACSIM	DARNG
MCAR	Military Construction, Army Reserve	CAR, ACSIM	CAR
AFHC	Family Housing, Army (Construction)	ACSIM	ACSIM
Operations			
OMA	Operation and Maintenance, Army	See figure 9-5.	
OMNG	Operation and Maintenance, Army National Guard ²	DARNG, ACSIM	DARNG
OMAR	Operation and Maintenance, Army Reserve ²	CAR, ACSIM	CAR
ERA	Environmental Restoration, Army and Formerly Used Test Sites	ACSIM	ACSIM
AFHO	Family Housing, Army (Operations)	ACSIM	ACSIM
MPA	Military Personnel, Army	DCSPER	DCSPER
NGPA	National Guard Personnel, Army	DARNG	DARNG
RPA	Reserve Personnel, Army	CAR	CAR
Miscellaneous accounts			
AWCF	Army Working Capital Fund		
	Supply management	DCSLOG	DCSLOG
	Depot maintenance	DCSLOG	DCSLOG
	Ordnance	DCSLOG	DCSLOG
	Information services	DISC4	DISC4
CAWCF	Army Conventional Ammunition Working Capital Fund	ASA (RDA)	ASA (ALT)
IMET	International Military Education and Training Transfer Appropriation	DCSLOG	DCSLOG
FMFE	Foreign Military Financing Executive	DCSLOG	DCSLOG
FMS	Foreign Military Sales Program	DCSLOG	DCSLOG
HOA	Homeowners Assistance Fund, Defense	COE	COE
ATF	Department of the Army Trust Funds	ASA (FM&C)	ASA (FM&C)

Notes.^{3/4} ASA (FM&C) serves as appropriation sponsor for all appropriations (funds) except ARNG and USAR appropriations, whose sponsors are the Chief, National Guard Bureau and Chief, Army Reserve, respectively.

Figure 9-4

Operation and Maintenance. Army

continued—

Manager for requirements determination. DCSLOG serves as manager for program and performance.

4. Follows support recording structure used for Operation and Maintenance, Army.

No functional manager for year of execution only.

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Operation and Maintenance, Army³ continued

Code	Description	Manager¹	Code	Description	Manager¹
Category 9: Other—manpower only			AMSCO xxxx79		
91	Defense agency manpower (military only)	DCSOPS	.J	Operation of utilities	ACSIM
92	Special operations forces manpower—reimbursable	DCSPER	.M	Municipal services	ACSIM
93	Outside Department of Defense	DCSPER	.N	Facilities engineering services	ACSIM
94	Transients, holdees, and operating strength deviation	DCSPER	.P	Fire and emergency response services	ACSIM
			.Y	Real property services (ARNG use only)	ACSIM
			AMSCO xxxx90		
				Audio visual information production, acquisition, and support)	DISC4, ACSIM
			AMSCO xxxx93		
				Demolition of real property	ACSIM
			AMSCO xxxx95		
				Base communications	DISC4, ACSIM
			AMSCO xxxx96		
			.A	Real estate leases	ACSIM
			.B	Supply operations and management	DCSLOG
			.C	Materiel maintenance	DCSLOG
			.D	Transportation services	DCSLOG
			.E	Laundry and dry-cleaning services	DCSLOG
			.F	Food services	DCSLOG
			.J	Other personnel services	ASA (M&RA)
			.K	Civilian personnel management	ASA (M&RA)
			.L	Morale, welfare, and recreation	ACSIM
			.M	Military personnel support	ASA (M&RA)
			.Q	Reserve component support	ACSIM
			.R	Unapplied program adjustments	
			.U	Financial management	ASA (FM&C)
			.V	Management analysis	ASA (FM&C)
			.W	Contracting operations	ASA (ALT)
			.X	Information technology, management and planning	DISC4, ACSIM
			.Y	Records management, publications (summary account)	DISC4, ACSIM
			.1	Provost Marshal	DCSOPS
			.2	Staff Judge Advocate	ACSIM
			.3	Chaplain	ACSIM
			.4	Public affairs	ACSIM
			.5	Inspector General	ACSIM
			.6	Installation management	ACSIM
			.7	Operations	DCSOPS
			.9	Unaccompanied personnel housing management	ACSIM
Code	Account	Manager¹	AMSCO	Additional Base Support	Manager¹
	AMSCO xxxx53, xxxx54, xxxx56		315819	Child development services (USMA resources)	ACSIM
	Environmental compliance, pollution prevention, and conservation programs	ACSIM	xxx719	Child development services (where xxx is 117, 131, 325, or 438 depending on the command owning the resources)	ACSIM
	AMSCO xxxx76		315820	Army community service (USMA resources)	ACSIM
.L	Minor construction	ACSIM	xxx720	Army community service (where xxx is 117, 131, 325, or 438 depending on the command owning the resources)	ACSIM
	AMSCO xxxx78				
.1	Surfaced areas (including bridges and other appurtenances)	ACSIM			
.2	Airfields, paved and unpaved (including bridges and other appurtenances)	ACSIM			
.4	Railroads (including bridges and other appurtenances)	ACSIM			
.5	Utility systems	ACSIM			
.A	Maintenance and production facilities	ACSIM			
.B	Training and operations facilities	ACSIM			
.C	RDT&E facilities	ACSIM			
.D	Supply and storage facilities	ACSIM			
.E	Administrative facilities (including information technology facilities)	ACSIM			
.F	Unaccompanied personnel housing facilities, enlisted barracks	ACSIM			
.G	Other unaccompanied personnel housing facilities	ACSIM			
.H	Dining facilities	ACSIM			
.K	Maintenance and repair of real property (ARNG use only)	ACSIM			
.Q	Other facilities without facility category groups (FCGs))	ACSIM			
.R	Airfield facilities	ACSIM			
.S	Training/instruction support facilities	ACSIM			
.T	Ports	ACSIM			
.U	Medical and hospital facilities	ACSIM			
.V	Grounds	ACSIM			
.W	Community support	ACSIM			

continued—

Note.^{3,1} Manager for requirements determination and program and performance.

Figure 9-5 continued

Integrated Programming and Budgeting

Operation and Maintenance ^{3/4} Army National Guard, U.S. Army Reserve					
Army National Guard			U.S. Army Reserve		
n Budget activity (BA) nn Activity group (01 level) nnn Budget subactivity			n Budget activity (BA) nn Activity group (01 level) nnn Budget subactivity		
<i>Records resources for Army Management Structure Code (AMSCO) nnnNxx, where nnn shows budget subactivity and N is constant for Army National Guard.</i>			<i>Records resources for Army Management Structure Code (AMSCO) nnnRxx, where nnn shows budget subactivity and R is constant for U.S. Army Reserve.</i>		
Code	Description	Manager ¹	Code	Description	Manager ¹
BA 1: Operating forces			BA 1: Operating forces		
11	Land forces	DARNG	11	Land forces	CAR
111	Divisions		111	Divisions	
112	Corps combat forces		112	Corps combat forces	
113	Corps support forces		113	Corps support forces	
114	Echelon above corps forces		114	Echelon above corps forces	
115	Land forces operations support		115	Land forces operations support	
12	Land forces readiness		12	Land forces readiness	
121	Force readiness operations support		121	Force readiness operations support	
122	Land forces systems readiness		122	Land forces systems readiness	
123	Land forces depot maintenance support		123	Land forces depot maintenance support	
13	Land forces readiness support		13	Land forces readiness support	
131	Base operations support (land forces readiness support)		131	Base operations support (land forces readiness support)	
132	Real property maintenance (land forces readiness support)		132	Real property maintenance (land forces readiness support)	
133	Management and operational headquarters		133	Management and operational headquarters	
134	Unified commands		134	Unified commands	
135	Additional activities		135	Additional activities	
BA 4: Administration and service-wide activities			BA 4: Administration and service-wide activities		
43	Servicewide support	DARNG	43	Servicewide support	CAR
431	Staff management headquarters		431	Staff management headquarters	
432	Information management		432	Information management	
433	Personnel and financial administration		433	Personnel and financial administration	
434	Recruiting and advertising		434	Recruiting and advertising	

Note. ^{3/4 1} Manager for requirements determination and program and performance

Figure 9-5-end

- Sets priorities for Army requirements, programs, and resources.
- Exercises staff supervision of joint matters and assigns, coordinates, and reviews Joint Staff actions.
- Provides the operational link between HQDA, the Joint Staff, and, through ASCCs, the CINCs.
- Helps DPAE prepare Army input to OSD's Defense Program Projection and Army comments on the DPG.
- Helps prepare briefings on the resource status of CINC issues.
- CINC major budget issues.

Phase.

Director of Program Analysis and Evaluation. The ASA (FM&C) and DPAE jointly manage the integrated programming and budgeting phase. Taking the lead on program matters, the DPAE:

- Provides the SA and CSA with independent assessments of program alternatives and priorities.
- Serves as the authoritative source of the FYDP resource position for the Army as a whole and, specifically, for CINC issues resourced by HQDA.
- Exercises HQDA staff jurisdiction over the POM development process and

FYDP to include interaction with OSD and the Joint Staff on resource issues.

- Develops the Army Program Guidance Memorandum (section III, TAP).
- With DCSOPS and functional proponents:
 - Responds to Defense Planning Guidance (DPG) and other OSD programming guidance.
 - Prepares Army input to OSD's Defense Program Projection and the DPG.
- With functional proponents:
 - Develops and defends the Army program, manages its codification in the POM.
 - Reviews CINC integrated priority lists (IPLs).
 - Reviews Commander's Narratives and Command-Requested Changes submitted by MACOM commanders, Program Executive Officers (PEOs), Program Managers (PMs), and heads of operating agencies.
- With ASA (FM&C) and DCSOPS, guides and integrates the work of Title 10 Program Evaluation Groups (PEGs) throughout the planning, programming, budgeting, and execution process. The

Program Evaluation Groups	
<i>Title</i>	<i>CO-chairs</i>
Manning	ASA (MR&A) DCSPER
Training	ASA (MR&A) DCSOPS
Organizing	ASA (MR&A) DCSOPS
Equipping	ASA (ALT) DCSOPS
Sustaining	ASA (ALT) DCSLOG
Installations	ASA (I&E) ACSIM

Program Advisors

Army National Guard	DARNG
U.S. Army Reserve	CAR
Information Technology	DISC4

DARNG, CAR, and DISC4 serve as Program Advisors for their respective functions. (Figure 9-6)

- Directs the review and analysis of Army programming actions, performs selected studies, and develops alternatives for resource planning and programming.
- Reviews Army National Guard (ARNG) and U.S. Army Reserve (USAR) programming actions to make sure they are coordinated.
- Manages the MDEP architecture.
- Makes sure the force structure and manpower information included in FYDP submissions to OSD match the positions in the force structure and accounting databases for the Active Army, ARNG, USAR, and civilian work force. (Data in the FYDP and in the force structure and manpower databases must match before the FYDP can be provided to OSD.)
- With DCSOPS and ASCCs, briefs each CINC on the resource status of the CINC's issues after submission of each POM.
- With ASA (FM&C):
 - Maintains the data architecture of the Army Management Structure (AMS) to meet management needs for each phase of the PPBES and to support FYDP submissions (including annexes).
 - Maintains a resource management architecture to support the integration of PPBES processes and systems.
 - Maintains the database architecture for the PPBS Data Management System (Probe), which gathers,

organizes, and records 9 years of programming and budgeting resource data.

Maintains Probe as the official database of record for Army program and budget data, managing data entry into Probe and making sure that Probe data elements remain consistent both internally and with AMS and FYDP reporting requirements (including annexes).

Produces the resource position for submitting the Army portion of the FYDP and for periodic issue of Program and Budget Guidance, Volume II.

Generates and submits machine-readable data in support of Army budget estimates.

- With appropriate HQDA principal officials develops automated management systems, decision support systems, and predictive models to support program development and management through program and budget execution.
- Provides analytical and administrative support for the Army Strategic Management Plan (SMP) and to the Planning, Program and Budget Committee (PPBC), Senior Review Group (SRG), and Army Resources Board (ARB).

Assistant Secretary of the Army (Financial Management and Comptroller).

During the integrated programming and budgeting phase, the ASA (FM&C) takes the lead on budget matters. In particular, the ASA (FM&C):

- Supervises and directs preparation and review of Army budget estimates,

incorporating the budgets of the ARNG and USAR.

- With functional proponents, prepares the Army budget from the approved Army program.
- Reviews and consolidates the ARNG and USAR budgets with the Active Army budget for submission to OSD and Congress.
- Guides and integrates the work of Title 10 PEGs on budget matters.
- With DCSOPS, coordinates with each CINC on major budget issues affecting the CINC's resource requirements.
- Supervises and directs financial execution of the congressionally approved budget.
- Develops and approves the Independent Cost Estimate (ICE) to check the reasonableness of the Baseline Cost Estimate (BCE) for selected major weapon and information systems and sets the Army Cost Position (ACP) that certifies or modifies the BCE as appropriate.
- Validates economic analyses supporting new programs.
- Oversees policy and guidance to account for and report on Army managed funds.
- Oversees accounting for and reporting on use of Army-managed funds to OSD and Congress by appropriation. As applicable to each appropriation, includes FYDP program, PE, project number, budget line item number (BLIN), budget activity (BA), budget activity group (BAG), budget subactivity (BSA), element of resource (EOR), and financing data. Also as applicable to an appropriation,

accounts for and reports on the use of manpower by manpower category.

- Develops and maintains nonstandard Army systems in support of financial review and analysis and implements nonstandard Army systems in support of fund distribution, accounting, and reporting of funds.
- Oversees the development and maintenance of standard Army systems, such as the Standard Army Financial Inventory Accounting and Reporting System (STARFIARS) in support of financial analysis; and oversees implementation of the same standard Army systems in support of distribution, accounting, and reporting of funds.
- With DPAE, performs system and data management functions as described above.
- Issues resource controls for authorized or projected TOA, manpower, and force structure before each update of the Probe database.
- Performs budget and appropriation sponsor assignments listed in Figures 9-4 and 9-5.

Execution Phase.

The ASA (FM&C) manages the PPBES execution phase and applies funds appropriated by Congress to carry out authorized programs. In the process, ASA (FM&C):

- Tracks and reports on budget execution.
- Reviews program performance, specifically overseeing the Quarterly Army Performance Review (QAPR).

PPBES-Related Operational Tasks.

Assistant Secretary of the Army (Acquisition, Logistics, and Technology).

The ASA (ALT):

- Performs Army acquisition management activities as the designated AAE and:
 - Represents the Army on the DAB, the Nuclear Weapons Council Standing Committee, and the Conventional Systems Committee.
 - Advises the Secretary of the Army on matters of acquisition management.
 - With the Vice Chief of Staff, Army, co-chairs the Army Systems Acquisition Review Council (ASARC).
- Manages the Army Baseline Program and makes sure that baseline documentation reflects the current Army cost position.
- Integrates the development and acquisition of materiel into all phases of the PPBES process.
- Exercises responsibility for the RDTE and procurement appropriations in formulating, presenting, and executing the budget and in related database areas.
- With the ASA (FM&C), prepares and justifies budget estimates for the RDTE and procurement appropriations.
- Performs programming and budgeting assignments listed in Figures 9-4 and 9-5.

Assistant Secretary of the Army (Manpower and Reserve Affairs). The ASA (M&RA):

- Approves policy for, and oversees, manpower, force structure, and

personnel activities conducted throughout the Army.

- Oversees development and promulgation of ARNG and USAR policy.
- Performs PPBES functions and responsibilities outlined in AR 10-5 and related functions affecting manpower, including review of proposed manpower levels before approval by the SA and CSA.
- Serves as Army manager for Army Management Headquarters Activities (AMHA) (Figure 9-3) and performs programming and budgeting assignments listed in Figure 9-4 and 9-5
- Approves allocation of civilian and military end strength and civilian work years to MACOMs, PEOs, PMs, and other operating agencies.

Deputy Chief of Staff for Intelligence. The DCSINT:

- Prepares, justifies, and submits the program and budget for the Army portion of the National Foreign Intelligence Program (NFIP) per the policy, resource, and administrative, guidance of the Director of Central Intelligence and DOD NFIP Program Managers.
- Performs programming and budgeting assignments listed in Figures 9-4 and 9-5.

Deputy Chief of Staff for Logistics.

The DCSLOG:

- Reviews the program and budget for its capability to sustain the force.
- Performs programming and budgeting assignments listed in Figures 9-4 and 9-5.

Deputy Chief of Staff for Personnel.

The DCSPER:

- Manages the individuals account for Active Army military manpower not included in Army operating strength as listed in Figure 9-3.
- Allocates Active Army military strength to MACOMs, PEOs, PMs, and other operating agencies.
- Collects for reimbursable manpower allocated to revolving funds and non-Army agencies.
- Performs programming and budgeting assignments listed in Figures 9-4 and 9-5.

Chief, National Guard Bureau. The CNGB through the Director of the Army National Guard (DARNG):

- Prepares and justifies the budget for ARNG appropriations and performs operational tasks set forth below for commanders of major Army commands and other operating agencies.
- Serves as Army manager for ARNG manpower issues as listed in Figure 9-3 and performs programming and budgeting assignments listed in Figures 9-4 and 9-5.

Chief, Army Reserve. The CAR:

- Prepares and justifies the budget for USAR appropriations.
- Serves as Army manager for USAR manpower issues as listed in Figure 9-3 and performs programming and budgeting assignments listed in Figures 9-4 and 9-5.

Other Principal Officials. Other HQDA principal officials, as assigned, serve as Army managers for manpower issues listed in

Figure 9-3, and perform programming and budgeting assignments listed in Figures 9-4 and 9-5.

Commanders of Major Army Commands, PEOs, PMs and Heads of Operating Agencies. MACOM commanders, PEOs, PMs, and heads of operating agencies:

- Plan, program, and budget for assigned missions, responsibilities, and functions.
- Document manpower in their subordinate organizations per allocated manpower levels.
- Execute the approved MACOM or agency program within allocated resources, applying the inherent flexibility allowed by law and regulation.
- Assess MACOM or agency program performance and budget execution and:

Account for and report on use of allocated funds by appropriation and MDEP. As applicable to each appropriation, include FYDP program, Army Management Structure Code (AMSCO), PE, project number, BLIN, BA, BAG, and EOR. Also account for and report on use of allocated manpower by unit identification code (UIC).

Use manpower data (especially the Civilian Employment Level Plan (CELP)) and financial data from budget execution in developing future requirements.

Commanders of Major Army Commands serving as Army Service Component Commanders. MACOM commanders serving as ASCC commanders identify and integrate their other missions and

operational requirements with the requirements of the CINC.

Staff Managers and Sponsors for Congressional Appropriations. The task of getting Army resources entails working with separate resource allocation structures for congressional appropriations and the FYDP. Figure 9-2 lists proponents of FYDP programs and subprograms. Figure 9-3, lists staff managers for manpower and force structure issues. Figures 9-4 and 9-5 list staff managers and sponsors for Army appropriations and funds and 0-1 level budget activities of the operation and maintenance appropriations. Responsibilities of designated staff managers and sponsors are as follows.

Manager for Manpower and Force Structure Issues. The manager for manpower issues and the manager for force structure issues work together to maintain a continuous exchange of information and collaboration. As appropriate, they:

- Coordinate instructions to the field, and the processing of requests from the field, for manpower or force changes.
- Align and balance manpower and unit information among SAMAS, The Army Authorization Documents System (TA-ADS), Probe, and the FYDP.
- Provide lead support to the PEG chair on manpower issues.

Manager for Requirements Determination. The manager for Requirements Determination:

- Determines the scope, quantity, and qualitative nature of functional requirements for planning, programming, and budgeting.
- Checks how commands and agencies apply allocated manpower and dollars

to be sure their use fulfills program requirements.

- Reviews unresourced programs submitted by MACOMs, PEOs, PMs, and other operating agencies.
- Resolves conflicts involving unresourced requirements or decrements on which MACOMs, PEOs, PMs and other operating agencies fail to reach agreement in developing the program or budget.
- Recommends to the Planning, Program and Budget Committee (PPBC) (below) the allocation of projected resources, unresourced programs, and offsetting decrements.
- During program and budget reviews, and throughout the process, coordinates resource changes with agencies having proponentcy for affected MDEPs.

Manager for Program and Performance. The Manager for Program and Performance:

- Represents the functional program and monitors its performance.
- As required, acts with the appropriation sponsor or helps the appropriation sponsor perform the duties listed below.
- Translates budget decisions and approved manpower and funding into program changes and makes sure that data transactions update affected MDEPs.
- Checks budget execution from the functional perspective.
- For investment appropriations:
 - Operates and maintains databases in support of Probe.
 - During budget formulation, determines how changes in fiscal

guidance affect budget estimates and reviews and approves the documentation of budget justification.

During review of the budget by OSD and Office of Management and Budget (OMB) and by Congress, serves as appropriation advocate, helps prepare the Army response to OSD Program Budget Decisions (PBDs), and prepares congressional appeals.

During execution determines fund recipients, monitors execution, performs decrement reviews, plans reprogramming, and controls below threshold reprogramming. On RDA matters and otherwise as required, testifies before OSD and Congress.

Appropriation Sponsor. The Appropriation Sponsor:

- Controls the assigned appropriation or fund.
- Serves as Army spokesperson for appropriation resources.
- Helps resource claimants solve manpower and funding deficiencies.
- Issues budget policy, instructions, and fiscal guidance.
- Prepares supplemental budgets.
- During budget formulation:

Provides lead support to the PEG chair.

Bears responsibility for Probe updates.

Prepares and justifies budget estimates.

Testifies before Congress during budget justification.

Manages financial execution of the appropriation and reprograms

allocated manpower and funds to meet unforeseen contingencies during budget execution.

MANAGEMENT DECISION PACKAGES

The MDEP: What It Is and How It's Used.

The MDEP gives the Army a key resource management tool. Collectively, MDEPs account for all Army resources. They describe the capabilities programmed over a 9-year period for the Total Army—Active Army, Guard, Reserve, and civilian work force.

Recording the resources needed to get an intended output, an individual MDEP describes a particular organization, program, or function and applies uniquely to one of the following six management areas:

- (1) Missions of MTOE units.
- (2) Missions of TDA units and Armywide standard functions.
- (3) Missions of standard installation organizations (SIOs).
- (4) Acquisition, fielding, and sustainment of weapon and information systems. (with linkage to organizations).
- (5) Special visibility programs (SVPs).
- (6) Short term projects (STPs).

In sum, the MDEP:

- Specifies the military and civilian manpower and dollars associated with a program undertaking.
- Displays needed resources across relevant Army commands and relevant appropriations.
- Justifies the resource expenditure.

HQDA uses the MDEP to help the SA and CSA discharge their responsibilities. It helps them:

- Determine military requirements.
- Develop programs to support the requirements.
- Carry out approved programs.
- Check program results.

HQDA uses the MDEP to link decisions by the SA and CSA and their priorities to:

- FYDP accounts that record Service positions in OSD.
- Army Management Structure (AMS) accounts that record funding transactions in Army activities and installations.

HQDA uses the MDEP also to link the Probe database with other key systems, for example:

- The Structure and Manpower Allocation System (SAMAS) and The Army Authorization Document System (TAADS).
- The Army Training Requirements and Resources System (ATRRS) whose product, ARPRINT (Army Program for Individual Training), shows valid training requirements and associated training programs.
- Depot maintenance programs.

For investment accounts, managers for construction, RDTE, and procurement first allocate program and budget resources by AMSCO, PE, project number, and BLIN. They then distribute the resources to MDEPs within the six resource management areas, above.

Program and Budget Years Covered by the MDEP.

The MDEP records manpower and total obligation authority over the 9 fiscal years needed to display the program and budget. Which program year or which budget year each fiscal year addresses, depends on whether interest in the MDEP centers on the program or budget. Figure 9-7 shows the fiscal year structure of an MDEP applying to the President's FY 98-99 budget.

Fiscal Year Structure of Resources in an MDEP Reflecting the FY 98-99 Budget									
budget years					program years				
PY	PY	CY	BY	BY	3	4	5	6	
FY 95	96	97	98	99	00	01	02	03	
\$TOA					\$TOA				
Manpower					Manpower				

Figure 9-7

The MDEP shifts 2 years forward in the even (or biennial POM submission) year. At the start of the next biennial POM cycle, Probe drops the 2 earliest years from the database and adds 2 new years. The MDEP then displays the 6 years of the new program period and the 3 preceding years (Figure 9-8). The first of the preceding years is the prior fiscal year (PY). It records resources spent in executing the budget the year before the current fiscal year (CY). The CY shows resources in the budget being executed. The last preceding year is called the budget year (BY). It lists resources requested in the President's Budget being reviewed by Congress.

Another shift occurs the next odd year (the year in which the President submits the next 2-year defense budget). The shift leaves each year's resources intact but changes their relative

MDEP Reflecting the FY 00-05 POM												
budget years			program years									
PY	CY	BY	1	2	3	4	5	6				
FY 97	98	99	00	01	02	03	04	05				
\$TOA			\$TOA									
Manpower			Manpower									

Figure 9-8

position in the program or budget process as shown in Figure 9-9. Budget years 97 and 98 both become prior years; budget year 99 becomes the current year; and the first 2 program years become budget years 00 and 01. The last 4 years (years 02 through 05) remain program years.

Fiscal Year Structure of Resources in an MDEP Reflecting the FY 00-01 Budget

budget years					program years				
PY	PY	CY	BY	BY	3	4	5	6	
FY 97	98	99	00	01	02	03	04	05	
\$TOA					\$TOA				
Manpower					Manpower				

Figure 9-9

Extent That Manpower and Dollars Can Be Redistributed in the MDEP.

The MDEP, as just described, has both a budget and program increment. The two parts differ primarily by the flexibility the Army has with manpower and funds.

In the program or POM years, HQDA restricts military manpower by total end strength and civilian manpower by work years rather than by appropriation. Similarly, HQDA restricts program dollars only by TOA, not by individual appropriation. The distinctions allow redistributing previously programmed manpower and dollars to meet changing requirements. In later POM or budget submissions, for example, HQDA can, as needed, move program year resources between MDEPs, appropriations, and PEs.

Once HQDA submits the BES to OSD, OSD must approve any changes to manpower and dollars. Even tighter controls govern the redesignation of manpower and funding in the budget years after the President's Budget has gone to Congress.

- HQDA can redistribute previously budgeted manpower and dollars between MDEPs or commands and agencies but must leave budget manpower and dollars unchanged until current year appropriations become law.
- Some flexibility during execution permits financing unbudgeted requirements to meet unforeseen needs or changes in operating conditions. Even so, congressional rules and specified dollar thresholds severely restrict spending for purposes other than those originally justified and approved. Also, during execution, HQDA can transfer military and civilian manpower within appropriations without a corresponding transfer of funds, but not between MACOMs.

How Flexibility Affects the MDEP.

Frequent change in MDEP resources. Competition at each stage of program development and budget formulation means frequent change in MDEP resources. Decisions during OSD review of the POM and budget will further change amounts initially approved. Sometimes decisions may even affect requests in the President's Budget already before Congress. Authorization and appropriation decisions by Congress often change amounts requested in the President's Budget. Budget execution sometimes results in different rates and quantities of expenditure

from those planned, and at times it results in different purposes.

Keeping MDEP Resources Current.

Functional proponents continually update MDEPs through their respective feeder systems to reflect the position of the last program or budget event. The kinds of changes described require that resource managers continually weigh how the stream of program and budget actions affect the MDEP and how a change in the program year or budget year portion of the package may affect the other part. Managers continually ask, "In what ways do the changes

- alter MDEP resource levels?
- shift resources between years?
- affect resources in related MDEPs?"

PPBES DELIBERATIVE FORUMS

Army Resources Board (ARB).

The ARB is chaired by the SA with the CSA as the vice chair. The board serves as an Army senior leadership forum, through which the SA and CSA review Army policy and resource allocation issues, particularly those emanating from PPBES. It sets policy and approves guidance and priorities. It approves the prioritization of Army programs and selects resource allocation alternatives. And on their completion, it approves the TAP, POM, and budget submissions to OSD and Congress. ARB membership includes:

- ***From the Secretariat.*** The Under Secretary of the Army (USA) and Assistant Secretaries for Acquisition, Logistics, and Technology; Financial Management and Comptroller; Installations and Environment;

Manpower and Reserve Affairs; and General Counsel.

- ***From the Army Staff.*** The Vice Chief of Staff, Army (VCSA), Assistant Vice Chief of Staff, Army (AVCSA), and Deputy Chief of Staff for Operations and Plans (DCSOPS).

The Assistant DCSOPS (ADCSOPS), DPAE, and DASA (B) attend ARB meetings as advisors. Also attending are the ARB Executive Secretary designated by ASA (FM&C) and other participants as needed.

Senior Review Group (SRG).

Co-chaired by the Under Secretary of the Army (USA) and Vice Chief of Staff, Army (VCSA) the Senior Review Group (SRG) serves as a senior level forum to resolve resource allocation and other issues but generally does not revisit decisions made at lower levels.

The SRG monitors staff implementation of decisions of the ARB and makes recommendations to the ARB on:

- The prioritization of programs.
- Resource alternatives.
- Final TAP, program, and budget.
- Other issues as determined by the USA and VCSA.

SRG membership includes:

- ***From the Secretariat.*** The Assistant Secretaries of the Army for Civil Works; Acquisition, Logistics, and Technology; Financial Management and Comptroller; Installations and Environment; Manpower and Reserve Affairs; the General Counsel; and the Director of Information Systems for Command, Command, Control,

Communications, and Computers (DISC4).

- ***From the Army Staff.*** The AVCSA, DCSINT, DCSLOG, DCSOPS, DCSPER, ACSIM, CAR, and DARNG.

The ADCSOPS, DPAE, and DASA (B) attend SRG meetings as advisors. Also attending are the SRB Executive Secretary designated by ASA (FM&C) and other participants as needed.

Planning Program Budget Committee.

The PPBC is co-chaired by the ADCSOPS, DPAE, and DASA (B), each presiding depending on the subject.

The PPBC serves the PPBES in both a coordinating and executive-advisory role. It provides a continuing forum in which planning, program, and budget managers review, adjust, and recommend courses of action on relevant issues. The PPBC helps make sure that Army policy remains internally consistent and that program adjustments remain consistent with Army policy and priorities.

The PPBC may return the results of committee deliberations to the Army Staff or Secretariat for action. It may pass them, in turn, to the SRG and ARB for review or approval.

The PPBC may set up standing committees or working groups to resolve issues that arise in managing the program or budget. An example of a standing committee is the Project Review Board (PRB), which addresses construction requirements.

Helping to maintain an open dialogue between the Secretariat and Army Staff, PPBC members consist of a balanced group of officials responsible for planning, programming and budgeting:

- ***From the Secretariat.*** The Administrative Assistant to the Secretary of the Army (AASA) and DISC4 as well as representatives of the Assistant Secretaries for Acquisition, Logistics, and Technology; Civil Works; Financial Management and Comptroller; Installations and Environment; and Manpower and Reserve Affairs.
- ***From the Army Staff.*** Representatives from the DCSINT, DCSLOG, DCSOPS, DCSPER, ACSIM, Surgeon General, CAR, and DARNG.

Attending PPBC meetings without vote are representatives of the Directors of Investment and Operations and Support from ASA (FM&C) and Force Development and Training from DCSOPS.

Council of Colonels.

A group of colonels or civilian equivalents, who represent PPBC members, meet throughout the PPBES process in a forum known as the Council of Colonels. The Council is co-chaired by the Chief, Resource Analysis and Integration Office, DCSOPS; Chief, Program Development Division, Program Analysis and Evaluation Directorate; and Deputy Director of Management and Control, ASA(FM&C). The group packages proposals, frames issues, and otherwise coordinates matters that come before its principals meeting in the PPBC.

Program Evaluation Groups.

HQDA uses six PEGs to support planning, programming, and budgeting (Figure

9-10). Each co-chaired by a representative of the Secretariat and Army Staff, PEGs program and monitor resources to perform Army functions assigned by Title 10, United States Code. Each administers a set of MDEPs within one of the following functional groupings: Manning, Training, Organizing, Equipping, Sustaining, and Installations. Each PEG sets the scope, quantity, priority, and qualitative nature of resource requirements that define its program. It monitors PEG resource transactions and, as required, makes both administrative and substantive changes to assigned MDEPs.

The DARNG, CAR, and DISC4 serve as Program Advisors to the PEGs (Figure 9-11). They provide technical assistance and monitor actions to integrate into the Total Army program priorities and statutory, Defense, and Army requirements for the ARNG, USAR and information technology programs

PEGs, assisted by the functional Program Advisors, help HQDA functional proponents:

- Build the TAP and Army program and help convert the program into budget-level detail.
- Maintain program consistency, first during Planning and later when preparing, analyzing, and defending the integrated program-budget.

Title 10 Program Evaluation Groups

Manning (MM)

Co-chaired by ASA (M&RA) and DCSPER

Provides the Active Army, ARNG, and USAR with authorized personnel in appropriate grades and skills. Integrates these activities for the ARNG and USAR.

Training (TT)

Co-chaired by ASA (M&RA) and DCSOPS

Provides resources for Active Army, ARNG, and USAR unit readiness (to include medical units) and unit and collective training (Ground OPTEMPO and the Army Flying Hour Program), strategic mobility, combat training centers (CTCs), mobilization, CJCS exercises, and military operations.

Provides for collective training within such categories as officer acquisition (USMA, ROTC, OCS) and institutional training (initial entry training, leader development, professional development, functional training).

Deals with programs, systems, and activities to satisfy intelligence requirements of the National Command Authorities (NCA) and Army leadership requirements funded in the Army portions of the NFIP under Program 3I and Army intelligence support to national agencies under Program 9. (The Equipping PEG addresses most requirements for Tactical Intelligence and Related Activities (TIARA) managed by ADCSOPS-FD under Programs 2, and 4 through 10 and acquisitions to meet other intelligence and electronic warfare (IEW requirements).)

Organizing (OO)^{3/4}

Co-chaired by ASA (M&RA) and DCSOPS

Provides resource objectives to establish Operating Force Structure and Generating Direct Support Force Structure.

Establishes Operating Forces and Generating Direct Support Forces to meet wartime requirements of the NMS per DPG illustrative planning scenarios.

Provides minimum essential Generating Forces for peacetime sustainment and training and wartime mobilization and power projection capabilities for Army Operating Forces.

Supports programs that meet special needs of the Total Army.

Resources the civilian workforce to carry out the Army's portion of the NMS.

Equipping (EE)

Co-chaired by ASA (ALT) and DCSOPS

Provides resources for the integration of new doctrine, training, organization, and equipment to develop and field

warfighting capabilities for the Active Army, ARNG, and USAR. Focuses mainly on research, development, and materiel acquisition.

Considers operating and support costs to field weapons and equipment as well as the costs of incremental sustainment and combat development.

Sustaining (SS)

Co-chaired by ASA (ALT) and DCSLOG

Provides resources to sustain operations of the Active Army, ARNG, and USAR, stressing worldwide readiness. Scope embraces Army reserve stocks, industrial preparedness, and central supply, and also internal operations of Army depots and arsenals, procurement of secondary item Army reserves, and transportation. Includes depot materiel maintenance.

Includes measures to assure the quality and timeliness of sustainment resources and to develop and maintain strategic logistics systems, manage weapon systems, provide security assistance, conduct logistics long-range planning, and reshape Army logistics.

Addresses measures to streamline Army business operations, improve the information management structure, and develop concepts of operations and procedures to further the integration, sharing, standardization, and interoperability of information systems.

Installations (II)

Co-chaired by ASA (I&E) and ACSIM

Provides resources to maintain services and infrastructure to support installations as power projection platforms. Plans and programs for installations services that minimize migration of resources into Base Support. Provides housing for military personnel and their families.

Scope embraces Real Property Maintenance (RPM) funding to maintain facilities and covers measures to comply with environmental laws and the exercise of good stewardship of natural and cultural resources. Scope includes installation quality of life programs to ensure soldier morale, retention, readiness, and family support.

Supports measures to establish and maintain information systems, communications, and audio-visual infrastructure to support power projection platforms and logistical sustainment base operations.

Makes sure within assigned responsibilities that programs to maintain a trained and ready force receive appropriate civilian support staffing per statutory guidance.

Figure 9-10

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Program Advisors

Army National Guard (NG) ~~3~~⁴DARNG

Provides technical assistance to Title 10 PEGs and monitors actions to integrate into the Total Army program the statutory, Defense, and Army requirements of the Army National Guard.

Tracks ARNG program performance during budget execution.

U.S. Army Reserve (AR) ~~3~~⁴CAR

Provides technical assistance to Title 10 PEGs and monitors actions to integrate into the Total Army program the statutory, Defense, and Army requirements of U.S. Army Reserve.

Tracks USAR program performance during budget execution.

Information Technology (IT) ~~3~~⁴DISC4

Provides technical assistance to Title 10 PEGs and monitors actions to integrate information technology requirements into the Total Army program.

Makes sure that information technology requirements comply with the Army Enterprise Architecture (AEA).

Tracks program performance for information technology issues during budget execution.

Figure 9-11

- Track program and budget performance during execution.
- Keep abreast of policy changes during each phase of the PPBES process.

PPBS/PPBES Process.

Figure 9-12 shows the general sequence and interrelationship of events of the its biennial cycle. Note that PPBES differs from PPBS in two ways. First, unlike PPBS, the Army system merges the programming and budgeting phases into a single, integrated programming-budgeting phase. Next, the PPBES adds execution as a distinct system phase.

PPBS PLANNING

OSD Planning and Joint Strategic Planning.

Drawing on guidance from National Security Council (NSC), OSD and joint strategic planning make up PPBS planning.

The planning examines the military posture of the United States in comparison with national

security objectives and resource limitations. It develops the national military strategy, and it identifies force levels to achieve the strategy.

OSD planning and joint strategic planning provides a framework of requirements, priorities, and risk. OSD uses the framework to give each CINC the best mix of forces, equipment, and support attainable within defined fiscal constraints.

NSC Guidance.

The National Security Strategy (NSS) set by the NSC bears importantly on the PPBS process. Also bearing on the process are two sets of NSC documents. Presidential Decision Directives (PDDs) promulgate presidential decisions implementing national security policy and objectives in all areas involving national security. Presidential Review Directives (PRDs) direct studies involving national security policy and directives.

Joint Strategic Planning.

Joint strategic planning examines the global security situation. It develops national military strategy to achieve national security objectives and sets related force requirements. It also prepares strategic and contingency plans, prepares supporting joint logistics and mobility plans, and conducts capability assessments.

Joint strategic planning helps the CJCS discharge the functions prescribed by 10 USC 153 (a) and 10 USC 163(b)(2).

Specifically, joint strategic planning underlies the military advice the Chairman gives to help the President and SECDEF:

- Provide strategic direction to the armed forces.
- Form defense policy, programs, and budgets.

Led by the Joint Staff, joint strategic planning involves each of its directorates and the Defense Intelligence Agency. Moreover, it entails close consultation with the Services, combatant commands, and supported defense agencies.

Joint strategic planning evaluates risks and threats. It assesses the current strategy and existing or proposed programs and budgets. It also develops the military strategy, forces, and programs that can meet national security objectives within resource limitations.

Joint Strategic Planning System.

Joint strategic planning takes place within the context of the Joint Strategic Planning System (JSPS). The JSPS continuously reviews the national military environment and capability to meet national security objectives through a Joint Strategy Review (JSR) and Joint Net Assessment (JNA) process.

Joint Strategy Review. The JSR lies at the core of the JSPS. The review helps the Joint Staff integrate strategy, operational planning and program assessments. It covers the short-, mid-, and long-range periods: 0-2, 2-10, and 10-20 years in the future.

The JSR provides the primary means for the Chairman, in consultation with the CINCs, Services, and Defense Agencies, to analyze strategic concepts and issues relevant to strategy formulation. The JSR process continuously gathers information through the examination of current, emerging, and future issues related to threats, strategic assumptions, opportunities, technologies, organizations, doctrinal concepts, force structures, and military missions. The JSR validates a common set of planning assumptions and provides a common reference point used by the JROC and JWCA.

It is a continuous process used to develop strategic military planning advice and assessments. The JSR produces the JSR Annual Report at the start of the calendar year and JSR Issue Papers.

A continuous process, the JSR assesses the global strategic setting for issues affecting the national military strategy. The Joint Staff, with the Services, combatant commands, and supported defense agencies, develops issue papers highlighting how changed conditions affect current strategy. Key judgments, if not earlier acted on, appear in the next JSR Annual Report. Provided to the CJCS, Chiefs of Services, and CINCs, the report, when approved by the Chairman, becomes guidance for maintaining or revising the Joint Vision, the NMS, and other JSPS products.

NOTE TO PRINTER;
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As needed the JSR produces a long-range vision paper addressing plausible strategic settings 10-20 years in the future.

Joint Net Assessment. The JNA provides the means to assess force strengths and deficiencies and how they affect U.S. ability to meet national security objectives. Closely involving the CINCs and other members of the JCS, the JNA compares defense capabilities and programs of the United States and its Allies with those of potential adversaries.

The JNA process develops a net assessment every 4 years, which the CJCS provides to the SECDEF. Using a risk evaluation force, it projects U.S. and allied capabilities at the end of the FYDP period against capabilities reasonably available to potential adversaries. The results help evaluate current strategy and the development of alternative force structures and strategies. Supporting the JSR between quadrennial assessments, the JNA reviews significant changes in emerging threats and the national security environment to evaluate the capability of U.S. forces to achieve current NMS objectives.

JSPS Documents and Plans.

The JSPS yields a number of principal products. The products help the joint community relate strategic planning to both the Joint Operation Planning and Execution System (JOPES) and PPBS. Shown in Figure 9-12, they are described below.

Chairman's Guidance. The Chairman's Guidance (CG) provides a common

set of assumptions, priorities, intent, and critical planning factors for developing strategies and plans. Often accompanying the conduct of the JSR, preparation of the Joint Vision, and drafting of a new NMS, it usually forms an integral part of strategy development. When necessary, it may appear as a separate document.

Joint Vision. Prepared as required, Joint Vision 20XX presents a long-range conception of emerging threats, technologies, and global changes and how they will affect military operations. Implementing the vision transforms its concepts into requirements and capabilities of the future force. Their achievement leads to corresponding changes in doctrine, force structure, materiel, personnel programs, and training.

National Military Strategy. The CJCS approves and issues the NMS. The strategy advises the SECDEF, and after SECDEF review, the President and National Security Council on the strategic direction of the armed forces. A standing document changed when needed, the NMS applies to program years, 2-8 years in the future. Drawing from the strategic guidance contained in the President's National Security Strategy (NSS), the NMS:

- Summarizes the global strategic setting from the JSR.
- Discusses potential threats and risks.
- Recommends military foundations and strategic principles to support national security objectives.
- Provides a strategy and force levels that conform with NCA Fiscal Guidance.

The NMS provides strategic direction for developing the Joint Planning Document

(JPD) and Joint Strategic Capabilities Plan (JSCP).

Joint Planning Document. The JPD derives from the NMS. Prepared by the Joint Staff with the Service Chiefs and the CINCs, the document reflects the Chairman's planning guidance based on the Joint Vision and strategic objectives outlined in the NMS and JSCP. The JPD helps the SECDEF prepare the DPG, which it precedes by about 6 months. It also informs the JROC and supporting JWCA process of the programmatic direction and priorities of the Chairman and helps the Chairman develop further programming advice for the SECDEF.

The JPD consists of a cover letter and individual chapters corresponding to the related JWCA prepared by the Joint Staff. Each chapter advises on requirements and programming priorities in a specific functional area.

Joint Strategic Capabilities Plan. The Joint Strategic Capabilities Plan (JSCP) underlies the capabilities-based military advice the CJCS gives the President and SECDEF. Another standing document, the JSCP, undergoes revision as needed, receiving formal review early each even year. Covering the 2-year, near term planning period, the JSCP:

- Gives strategic guidance to the CINCs, JCS members, and heads of defense agencies.
- Apportions major combat forces, strategic lift, and pre-positioned assets to the CINCs for their incorporation in deliberate planning.
- Tasks the CINCs to develop major and lesser regional plans to employ the force resulting from completed program and budget actions.

Chairman's Program Recommendation. Distributed before publication of the DPG, the Chairman's Program Recommendation (CPR) compares planning guidance and objectives with current and projected resource profiles from the most recent President's Budget and related FYDP. It focuses on recommendations that will enhance joint readiness, promote joint doctrine and training, and better satisfy joint warfighting requirements. As needed, it expands, refines, or modifies initial recommendations provided in the JPD.

Chairman's Program Assessment. The Chairman's Program Assessment (CPA) checks the balance and capabilities of composite force and support levels recommended by Service POMs. It compares recommended capabilities and levels with priorities established by the SECDEF. The document helps the SECDEF make program decisions reflected in PDMs and, later, during budget review.

OSD Planning Products.

Two SECDEF documents influence products of the JSPS. One is the DPG, the other is Contingency Planning Guidance (CPG).

Defense Planning Guidance. The SECDEF places responsibility and authority for program execution with the Services and other DOD components but maintains central direction. The principal product of the OSD planning phase, the DPG serves this central purpose. The document presents the defense strategy that underlies DOD plans and programs and identifies key planning and programming priorities to carry it out.

The Government Performance and Results Act (GPRA) of 1993 requires that DOD and most other Federal agencies submit to the Office of Management and Budget and to the Congress a strategic plan for agency program activities. DOD meets the need using the Quadrennial Defense Review (QDR). The DPG incorporates DOD corporate goals reflecting the QDR.

OSD issues the DPG in the odd year before POM preparation and normally provides an addendum for off-cycle program development.

Contingency Planning Guidance.

The CPG provides the CJCS written policy guidance for preparing and reviewing contingency plans. Focusing NMS and DPG guidance on contingency planning, the CPG bears directly on the JSCP. The SECDEF prepares the document annually in coordination with the Joint Staff. Then, on approval by the President, the SECDEF provides guidance to the Chairman.

PPBES PLANNING

The Army Plan.

Army planning responds to and complements OSD planning and joint strategic planning. In particular, it:

- Helps the senior Army leadership determine force requirements and objectives and set priorities.
- Provides the basis for positions and comments supporting Army participation in OSD and joint processes.
- Lays the planning basis for the Army program.

The foundation of Army planning lies in the biennial Army Plan (TAP), which is developed in three stand-alone modules or sections. The ASPG, which forms section I of the TAP, relates Army planning to National, OSD, and Joint strategic guidance, amplifies the Army vision, and provides leader guidance. Army Planning Guidance (APG), which is section II of the TAP, guides development of capabilities-based mission and functional plans and the allocation of resources to carry them out. The APGM, which exists as section III of the TAP, relates operational tasks to resource tasks, thereby helping link operational tasks and their associated resources to Army Title 10 functions.

Army Strategic Planning Guidance.

The DCSOPS Strategic Plans and Policy Division prepares the ASPG (TAP section I). The ASPG defines Army core competencies and charts the course to achieve a capabilities-based, threat-adaptive Total Army postured to support the nation's military strategy through year 2016 and beyond.

The Total Army's core competency is its soldiers and leaders, and those who support them, prepared to conduct prompt and sustained operations throughout the entire spectrum of military operations in any environment that requires landforce capabilities. With people at its core, the Total Army consists of Active Army, Army National Guard, and U.S. Army Reserve soldiers and civilians. An essential contributor, the strategically positioned Army helps carry out the national military strategy.

In doing so, the Army builds on the operational concepts of Joint Vision 2010 and patterns of operation of Army Vision 2010. These concepts and patterns combine with high

quality soldiers and technological advances to provide essential land force capabilities to future joint operations. Toward that end, the ASPG:

- Analyzes the future strategic environment through 2025.
- Assesses the implications that the strategic environment and national military strategy hold for missions and required capabilities of the current and future Army.
- Amplifies the Army senior leadership's vision.
- Outlines the strategy to transform from the current to the future Army.

Army Planning Guidance.

The DCSOPS Resource Analysis and Integration Office prepares Army Planning Guidance (APG) (TAP section II). The APG covers the mid-term period of the next 6-year POM plus 10 additional years. Guiding the preparation of capabilities-based mission and functional plans, the APG currently defines seven mission areas.

- Promote regional stability.
- Reduce potential conflicts and threats
- Deter aggression and coercion.
- Conduct small scale contingency operations
- Deploy, fight, and win, major theater wars (MTW)
- Secure the homeland.
- Provide domestic support to civil authorities.

Centering on sets of operational activities essential to maintain the Army's core competency, the mission areas help define requirements based on needed capabilities. They also help set priorities to guide the allocation of resources.

Army Programming Guidance Memorandum.

The DPAE prepares the APGM (TAP section III). The APGM applies requirements derived from operational capabilities to program development thus completing the succession of guidance from strategic planning to mid-term planning to programming. Guided by planning priorities, the APGM relates mission area operational tasks to resource tasks. Then, through MDEPs, it further relates operational tasks and their associated resources to Army Title 10 functions grouped as *Manning, Training, Organizing, Equipping, Sustaining, and Installations*. A forwarding memorandum from the SA and CSA provides additional guidance.

Army Modernization Plan.

The Army Modernization Plan (AMP) outlines the vision for modernizing the future force and a strategy for near to midterm force development and long term evolution. The AMP provides a start point for developing the RDAP. Its modernization objectives guide program prioritization at HQDA.

The AMP codifies required capabilities programmed through the PPBES and assesses the impact of required capabilities remaining to be programmed. It describes the relationship between desired future capabilities and materiel system development.

The AMP, the Army Science and Technology Master Plan (ASTMP), and the Weapons System Handbook, present the total picture of the Army's RDT&E investment. The AMP, in addition, supports review of the approved POM by congressional authorization and appropriation committees and their staffs.

Army Requirements Determination Process.

The U.S. Army Training and Doctrine Command (TRADOC) manages the Army's requirements determination process. Applying warfighting concepts for the future and experimentation in TRADOC battle labs, the process compares desired joint and Army capabilities in relation to the anticipated threat and known deficiencies. From this comparison the process derives mutually dependent requirements stressing overall needs of the future Army across the spectrum of doctrine, training, leader development, organization, materiel, and soldiers (DTLOMS).

Army Research, Development, and Acquisition Plan.

The RDAP determines battlefield requirements and ranks them in priority. It then matches them to materiel solutions, that is, to Research, Development, Test, and Evaluation (RDTE) and procurement programs. Developed through analysis by TRADOC and AMC and guided by the National Military Strategy (NMS) and DPG, the materiel solutions present an integrated HQDA position. What follows describes the plan in greater detail.

The RDAP takes the form of a priority list of program increments and funding streams for RDTE and procurement over the 15-year planning period. A plan for developing and producing technologies and materiel to support Army modernization, the RDA plan focuses on integrating new doctrine, training, organization, and equipment to develop and field warfighting capabilities. It converts materiel requirements from an unconstrained planning environment to

a balanced but truncated RDA program that is both technically and fiscally achievable. Conforming to force structure guidelines, the plan seeks to maximize warfighting capabilities and supporting infrastructure within resources expected to be available.

In December each year, TRADOC provides recommendations to HQDA on material requirements for the RDAP and POM. To arrive at the recommendations, TRADOC applies a process known as Warfighting Lens Analysis (WFLA). The process takes into account such guidance as the NMS, OSD DPG, CINC IPLs, the AMP and TAP. It compares future required capabilities of the total force against the fiscally constrained budgeted force. In doing so it determines force modernization needs, which TRADOC prioritize according to their contribution to mission accomplishment.

AMC performs an analogous function in determining requirements for RDA science and infrastructure (S&I). Supporting warfighting, modernization, and other HQDA high visibility programs, S&I requirements are defined, ordered in priority, and managed by materiel developers' laboratories, RDE centers, and support activities.

- From October through February, AMC reviews the requirements jointly with other materiel developers. These include the U.S. Army Corps of Engineers (USACE), Medical Research and Materiel Command (MRMC), U.S. Army Space and Missile Defense Command (SMDC), and Army Research Institute (ARI). The review integrates and sets priorities for requirements and reconciles funding allocations.
- AMC records the results of the review in the Science and Infrastructure RDAP

(SIRDAP). This it forwards and briefs to HQDA in February.

HQDA divides TRADOC and AMC programs, as approved by the senior Army leadership, into increments (entire programs often form a single increment). It consolidates approved program increments into a single list ranking them in 1–*n* priority. The ranked increments and their funding streams form the Army RDAP. The first 6 years of the plan form the start point of the RDA portion of the POM. Its final 9 years cover the Extended Planning Period (EPP). In another use, the RDA plan informs the TAA process of RDA programs planned for Army modernization.

The plan receives update each February on receipt of the TRADOC and AMC products. It may receive further updates in the spring after completing the biennial POM (or POM update) and in September after preparing the BES.

Force Development and Total Army Analysis.

PPBES planning develops an achievable force structure for America's Army that supports the NMS. The approach centers on TAA, a computer-aided force developmental process that gets under way about January of the even year.

Drawing on guidance in the DPG and other sources, TAA begins by modeling Illustrative Planning Scenarios to determine warfighting force structure requirements. Once those warfighting requirements are approved, TAA compares or *matches* the programmed force to those requirements to identify mismatches and shortfalls. To overcome shortfalls and mitigate warfighting risk, a Resourcing Conference Council of Colonels

proposes various adjustments to the programmed force. Made within the force structure allowance of the Active Army, ARNG and USAR, such adjustments could include converting units from one component to another or from one branch to another. For example, combat support units in the Active Army may convert to combat service support units. Similarly, ARNG or USAR units with a low warfighting priority may be converted to provide combat support capability no longer residing in the Active Army.

The Resourcing CoC deliberations are followed by a Force Feasibility Review (FFR).

The issues are then forwarded to a General Officer Steering Committee (GOSC). The GOSC approves or modifies the proposals and, from its knowledge of available resources and other issues, deletes adjustments deemed too costly or difficult to implement. The FFR identifies potential friction points and the manning, equipping, and training costs to implement the proposed force adjustments. The GOSAG then sends the resulting fiscally constrained TAA force to the Army leadership. When approved, it becomes the base force for POM development.

Alternatively, the GOSAG can recommend that the Army leadership approve the proposed TAA force without applying fiscal constraints. That unconstrained TAA force would then compete for near- to mid-term resources during the development of the POM. These proposed TAA force adjustments also could be slated for the latter years of the POM period, deferring their review for resourcing until the next POM.

Force Management.

Detailed integration and documentation of the force centers on the Command Plan process. The Army uses this period to update

and create MTOE and TDA documents. These documents officially record decisions on missions, organizational structure, and requirements and authorizations for personnel and equipment.

The process begins with a Command Plan (CPLAN) guidance message, released by HQDA (DCSOPS). CPLAN guidance sets the focus for a forthcoming documentation cycle, lists documentation priorities and actions, and provides force structure allowances (FSA). Draft MTOEs are prepared by the Force Management Support Activity-Authorization Documents Directorate (USAFMSA-ADD), and reviewed by HQDA and MACOMs. Proposed CPLANs incorporate the strength levels of the draft MTOEs and reflect force decisions in HQDA guidance, including the program force approved in the TAP and Army Structure (ARSTRUCT) Guidance. CPLANs reflect the current and projected force structure of each command. CPLANs normally contain only military manpower. After HQDA review, DCSOPS publishes an adjusted MasterForce (MFORCE) and an associated civilian annex reflecting the approved plan. The adjusted MFORCE provides the basis for resourcing personnel and equipment in the draft MTOEs and TDAs.

The Army Authorization Documents System-Redesign (TAADS-R), applies to the Total Army-Active Army, Army National Guard, Army Reserve, and civilian work force. The Army uses the system to record changes in requirements and authorizations that result from changes in unit missions, organizational structure, and equipment.

TAADS-R defines requirements and authorizations for MTOE units at various levels of organization using data from the Table of Organization and Equipment (TOE) system, Incremental Change Packages (ICPs), and

Basis-of-Issue Plans (BOIPs). Data from the BOIP identify quantitative and qualitative requirements for new items of equipment, including personnel requirements to accommodate them. Requirements for TDA units derive from concept plans, manpower surveys and studies, and manpower standards application.

The Structure and Manpower Allocation System (SAMAS) serves as the force development database that records the authorized level of manpower and force structure for the Army program and budget. SAMAS has two primary files. One is the Force Structure file (commonly referred to as the “force file”), which reflects the approved and documented force structure position. The force file produces the MFORCE. The second file is the Program and Budget Guidance (PBG) file (commonly referred to as the “budget file”), which reflects the approved CPLAN force structure plus additional budgeting assumptions. The budget file produces both the civilian annex to the MFORCE and the Manpower Addendum to the PBG.

At the close of the documentation cycle, the Automatic Update Transaction System (AUTS) is run. AUTS compares the CPLAN, MFORCE, (FS/PBG) against the TAADS-R documents. When discrepancies are discovered, the TAADS-R documents are corrected or the MFORCE (FS/PBG) adjusted to match the latest leadership decisions. The AUTS comparison occurs at the close of the documentation cycle and approves those MTOEs/TDAs whose TAADS-R position matches their MFORCE (FS/PBG) position. HQDA publishes a new MFORCE showing which units have approved TAADS-R documents. This post-AUTS MFORCE provides the basis for updating the database for the DCSPER/PERSCOM Personnel

Management Authorization Document (PMAD) and other databases.

The Structure and Composition System (SACS), in conjunction with Force Builder (a management database integration system), produces the Army's time-phased demands for personnel and equipment over the current budget and program years. SACS information combines information from BOIP, TOE, SAMAS, and TAADS-R data. A key output is the Personnel and Structure Composition System (PERSACS). PERSACS summarizes time-phased requirements and authorization for personnel, specifying grade and branch as well as functional area specialties and Military Occupational Specialty (MOS). Another key product is the Logistics Structure and Composition System (LOGSACS). LOGSACS summarizes time-phased requirements and authorizations for equipment by Line Item Number (LIN). Both PERSACS and LOGSACS form the requirements and authorizations base used by other personnel and logistics systems. The Total Army Equipment Distribution Program (TAEDP), for example, uses equipment requirements and authorizations from LOGSACS to plan equipment distribution throughout the program years.

Operational Planning Link To The PPBS.

Operational Planning. Operational planning addresses the 0-2 year short-range planning period. It takes place under JOPES and the counterpart Army Mobilization and Operations Planning and Execution System (AMOPES). Through JOPES, the CINCs and their Service component commands develop concept plans (CONPLANs) and operation plans (OPLANs). Based on capabilities reflected in the President's Budget, the plans employ the current (budgeted) force to carry

out military tasks assigned in the JSCP. Plan preparation and review return information about shortfalls and limiting factors for consideration in current planning, programming, and budgeting.

Missions and Tasks. The JSCP carries out the NMS through unified command OPLANs. Its accompanying intelligence estimate assesses potential threats and their impact on available U.S. forces. Based on the assessment, the document assigns missions and planning tasks to the CINCs. It also apportions the combat forces expected to be available. Annexes amplify guidance, capabilities, and tasks in specified functional areas.

OPLAN Development and Review. HQDA provides ASCCs, supporting MACOMs, ARNG, and USAR additional guidance through AMOPES. AMOPES provides planning assumptions, policy, and procedures. It applies both to mobilization and to military operations before the involuntary call up of ARNG and USAR forces. AMOPES Annex A describes the availability of Army combat, combat support, and combat service support units for developing Time-Phased Force and Deployment Data (TPFDD). AMOPES Annex S guides planning to survive a nuclear attack on the United States and to recover and reconstitute essential HQDA missions and functions.

ASCC TPFDDs specify arrival priorities for force augmentation, resupply, and troop replacement. TPFDD review and later logistics and transportation assessments help refine the priorities to accord with CINC OPLANs. Issues remaining after negotiation become the subject of a force conference in December of the even year and logistics and transportation conferences the following August. ASCCs, supporting MACOMs, and

HQDA agencies participate in these deliberations. The participants bring information about current shortfalls and limitations to bear on future requirements through the FFR and program development processes.

In July (odd year), the CINCs submit their OPLANs for final JCS review and approval. The OPLANs provide a basis for CINC IPLs, which influence program development. Their earlier drafts have influenced the TRADOC Black Book Requirements Determination process and command program and budget input.

INTEGRATED PROGRAMMING- BUDGETING PHASE

Army Programming and Budgeting.

A single decision process, integrated programming-budgeting produces the POM, BES and President's Budget. During this phase HQDA staff officials responsible for programming and budgeting work together to help the senior Army leadership distribute resources to support Army roles and missions.

Beginning in this phase, programmers translate planning decisions, OSD programming guidance, and congressional guidance into a comprehensive allocation of forces, manpower, and funds. In doing this they integrate and balance centrally managed programs for manpower; operations; research, development, and acquisition; and stationing and construction. Concurrently, they incorporate requirements stated by MACOMs, PEOs. and PMs for manpower, operation and maintenance, housing, and construction.

Working with programmers, budgeters make sure that programmatic decisions become properly costed and that Army resource decisions can be defended during budget

reviews conducted by OSD, OMB, and Congress. Programmers and budgeters working closely together during program-budget development help the Army leadership consider all relevant information before making resource allocation decisions. The approach precludes need, later in the process, to revisit most issues. Moreover, it presents a near seamless transition from program to budget.

The integrated programming-budgeting phase first produces the POM, which presents the Army's proposal for a balanced allocation of its resources within specified constraints. As approved by OSD, this program provides the basis for preparing the BES, the second product of the programming-budgeting phase.

Guidance.

Defense Planning Guidance. The primary product of the OSD planning phase, the DPG identifies key planning and programming priorities to carry out the NMS. OSD issues the DPG in the odd year before POM preparation and normally provides an addendum for off-cycle program development.

Army Program Guidance Memorandum. As mentioned the TAP provides a succession of guidance from strategic planning to mid-term planning to programming. The APGM, which is section III of the TAP, guides program development.

The APGM defines resource tasks for mission area operational tasks. It relates each resource task to one or more MDEPs and sets a priority for performing the task. The highest priority identifies a limited number of tasks that must be carried out at a specified resource level. Other priorities identify the remaining tasks, whose performance competes for resources at some level of risk. In relative order

of importance, some tasks must be carried out with *very little* risk, others with *some* risk, and still others with *moderate* risk.

Fiscal guidance. About the time the DPG and APGM receive distribution, OSD issues final fiscal guidance, which DPAE in coordination with DCSOPS provides to the PEGs as TOA guidance for building the POM.

Program and Budget Guidance. The PBG provides resource guidance to MACOMs, PEOs, PMs, and other operating agencies. Volume I of the document appears in narrative form. It guides commands and agencies, in addressing resource requirements, such as those related to flying hours, ground operating tempo (OPTempo), and rates for fuel, inflation, and foreign currency. Volume II reflects the status of command or agency resources. Issued three times each year, one issue of the PBG corresponds to the President's Budget, a second to the POM, and a third to the BES.

Integrated Program-Budget Data Call. HQDA publishes a multivolume Resource Formulation Guide (RFG) for the overall PPBES undertaking. Issued in the fall, RFG volume 3 (Integrated Program-Budget Data Call) describes the data MACOMs, PEOs, PMs, and other operating agencies must submit to HQDA to prepare the POM and BES. Commands and agencies may propose changes to their resources over the program years. Volume 3, however, requires that changes remain zero-sum within the command or agency.

RFG volume 4. Issued annually by HQDA and augmenting OSD POM

Preparation Instructions (PPI), RFG volume 4 guides HQDA agencies in preparing the POM.

Program-Budget Development Process.

Initial Programmatic Review. The biennial program-budget process typically starts in October in the odd years after the BES goes to OSD. Then, through December, HQDA:

- Reviews the existing program to determine program deficiencies.
- Develops DA-directed and compliance MDEPs.
- Sorts existing MDEPs by PEG.
- Establishes force structure and civilian manpower requirements.
- Responds to decisions that attend the Program Budget Decision (PBD) process.

Preparing the Database. Also, in the odd year, starting in October after the BES goes to OSD, HQDA begins building the program and budget that are due the following spring and summer.

Once it is submitted DPAE reflects the President's Budget as a base file in the Probe database. Afterwards, in a series of zero-sum adjustments that leave resource levels in the President's Budget unchanged for the budget years, HQDA revises the database. The adjustments;

Timelines for POM build FY 00-05

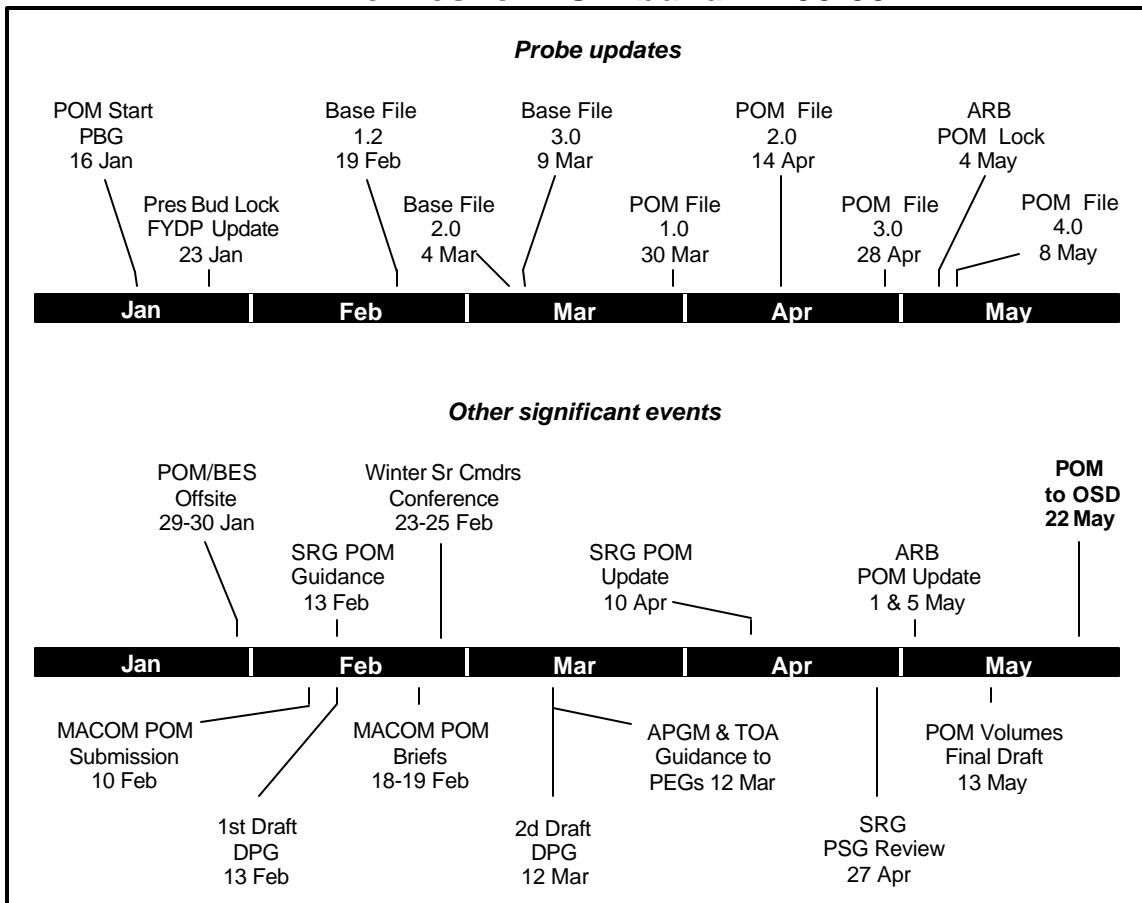


Figure 9-13

- Update earlier estimates with new information and revise them for inflation.
- Move resources between and among current AMSCO and MDEP structures (for various reasons).
- Consolidate or otherwise restructure individual programs through rolls and splits to make the overall Army program more manageable.
- Reprice existing programs as needed and, when required by modified resource levels, identify offsetting deductions as bill payers.

Figure 9-13 shows timelines for Probe updates and other significant events for POM build FY 00-05.

Command Participation. MACOMs participate fully in the PPBES operation as do PEOs and PMs, which report through the Army Acquisition Executive Support Agency (AAESA). They and other operating agencies make mission and operating requirements known through Commander's Narratives, Command-Requested Changes, and additional data submissions pre-scribed by RFG volume 3. MACOM commanders serving as Army Service Component Command (ASCC) commanders integrate CINC operational

requirements into their program and budget input. The CINCs, in addition, highlight their pressing requirements in an integrated priorities list (IPL) that receives close review during program development by HQDA, the Joint Staff, and OSD.

Use of Program Evaluation Groups.

As mentioned, HQDA packages program requirements into MDEPs, each deriving from one of six resource management areas. HQDA then assigns each MDEP to a Title 10 PEG to help build and track the Army POM that forms the Army portion of the DOD FYDP.

PEG POM-building activity begins in the fall and peaks in January through March of the following year. Figure 9-10 lists PEG organization and functions.

Title 10 PEGs administer assigned MDEPs. They set the scope, quantity, priority, and qualitative nature of resource requirements that define each PEG program. They monitor PEG resource transactions, making both administrative and substantive changes to their MDEPs as required.

Meanwhile, serving as Program Advisors, the DARNG, CAR, and DISC4 provide technical assistance to the PEGs and monitor actions to integrate their priorities and the statutory, Defense, and Army requirements for the ARNG, USAR, and information technology programs.

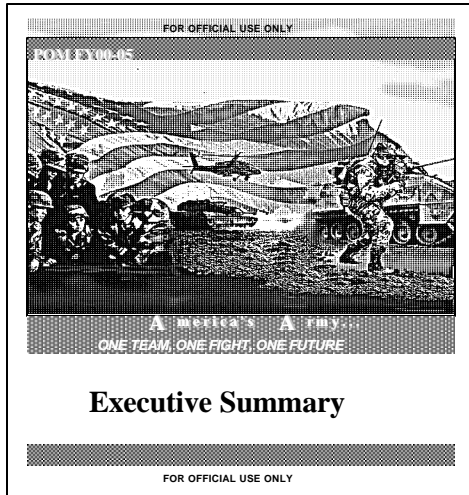
Title 10 PEGs review assigned MDEPs in terms of TOA guidance. PEGs also review command and agency POMs together with CINC IPLs and ASCC developed requirements supporting them. PEGs relate these command operating requirements to HQDA guidance and to existing MDEPs and new initiatives.

Based on the review, each PEG builds an executable program for its assigned function,

making sure its program is reasonable and has continuity and balance. In the process, the PEG:

- Validates command-requested changes submitted by MACOMs, PEOs, PMs, and other operating agencies.
- Reconciles conflicts involving unresourced requirements or decrements on which commands fail to reach agreement.
- Recommends the allocation of available resources and offsetting decrements to support approved unresourced programs.
- Rank orders validated but unresourced programs within its PEG that are submitted by the HQDA staff, MACOMs, PEOs, PMs, and other operating agencies.
- Evaluates HQDA, command, and other-agency zero-sum realignments that reallocate programmed resources to meet existing shortfalls and changed requirements.
- Coordinates resource changes with appropriate Service, DOD, and non DOD agencies when required.
- Makes sure that proposed reallocations:
 - Conform to legal restraints and Army policy and priorities.
 - Avoid imprudently high risk.
 - Maintain the executability of mandatory programs and sub programs.
- Prices programmatic decisions that the Army can defend during review by OSD, OMB, and the Congress.

POM FY00-05



POM Tabs

- Executive Summary
- A. Force Structure
- B. Force Development and Prepositioning
- C. Modernization and Investment
- D. Force Readiness and Sustainability
- E. Installation Construction, Operating Support, and Environment
- F. Manpower
- G. Information Technology (IT)/Defense Information Infrastructure (DII)
- H. Investment Hedges Against Emerging Threats
- I. Unified Commands
- J. Special Operations Forces
- K. Counterdrug Program
- L. International Agreements
- M. Defense Medical Program
- N. Infrastructure
- O. Antiterrorism/Force Protection
- P. Reserve Component Data

Figure 9-14

Internal Program Review. The PPBC meets periodically throughout POM build to review and adjust the developing program, devising courses of action and recommendations on relevant issues as appropriate. Bearing on the PPBC review is the Winter Senior Commanders' Conference scheduled in late February, which gives field commanders the chance to express their views on the prospective program. The SRG, in turn, convenes early in the process to approve guidance and at key stages to ratify PPBC decisions. The ARB convenes in one or more sessions in early to mid-May to review and approve the completed program.

Program Objective Memorandum. The biennial POM prepared in the spring each

even year documents the program decision of the SA and CSA. Submitted to OSD, the POM, as mentioned, presents the Army's proposal for a balanced allocation of its resources within specified constraints. POM subject matter remains relatively constant from cycle to cycle but varies as required to address special issues. Topics of the FY 00-05 POM, appear in Figure 9-14.

OSD Program Review.

Also known as the summer issue cycle, OSD program review begins soon after POM submission and continues normally until mid to late summer.

The review features program review proposals that recommend alternatives to

POM-submitted programs. Two or three page issue papers fully describe the proposed alternative and give evidence for its adoption.

Issues arise early in the process. They develop from review by members of the DRB and nonmember Assistant Secretaries of Defense who manage specific programs. Each reviewer prepares a set of proposals whose recommended program additions and reductions sum to zero. Submitted to the DEPSECDEF, the balanced sets add nothing to the cost of the defense program. CINCs also may submit proposals but need not balance theirs.

DPAE serves as Army executive agent for the OSD review, interacting with the OSD staff, functional agencies, and the Joint Staff. As issues arise, representatives of HQDA principal officials meet with their OSD counterparts. The Army representatives present the Army position and try to clarify the issue. If possible, they resolve the issue. Unresolved issues go to the PRG, and if not resolved there, to the DRB chaired by the DEPSECDEF.

An issue resolved outside the DRB is known as an out-of-court settlement. Such settlements require the signature of responsible officials, Army and OSD.

Program Decision Memorandum.

In mid summer and early fall, after the DRB has debated all outstanding issues, the DEPSECDEF signs one or more PDMs approving the POM with directed changes. Such PDMs provide the program basis for the BES and President's Budget.

POM Updates.

Congress requires the President to submit annual budgets under the biennial cycle,

and so OSD also prepares a POM update in the off-cycle year. The off-cycle update re-looks at the previous biennial POM, now minus 1 year. It revises the program to:

- Keep its 5 remaining years consistent with original decisions and strategy.
- Adjust to program decisions reflected in the PDM and budget decisions reflected in PBDs.

An important aspect of the POM update centers on program resource allocations for the upcoming (or second) budget year. The aim is to make the allocations as correct as possible in terms of program balance and executability. By re-examining the POM, the task of making program resource changes shifts from budget analysts to program analysts.

The process remains essentially the same as for the biennial POM, but abbreviated. For the update, PAED, DCSOPS, and ASA (FM&C) together:

- Re-assess the strategy and determine what changed during the last program review and the last budget review.
- Assess how conditions have changed and what is needed next.
- Capture current positions and guidance of the Army senior leadership to detect changes since the spring before, when preparing the original program.
- Adjust for the latest fiscal guidance.
- Review issues raised by PEG chairmen.

Complementary Program and Budget Perspective.

The POM defines what the Army intends to do over the 6-year program period. It uses the MDEP to package required resources by mission, function, and other program objectives. Throughout program

PROGRAM AND BUDGET PRESPECTIVES

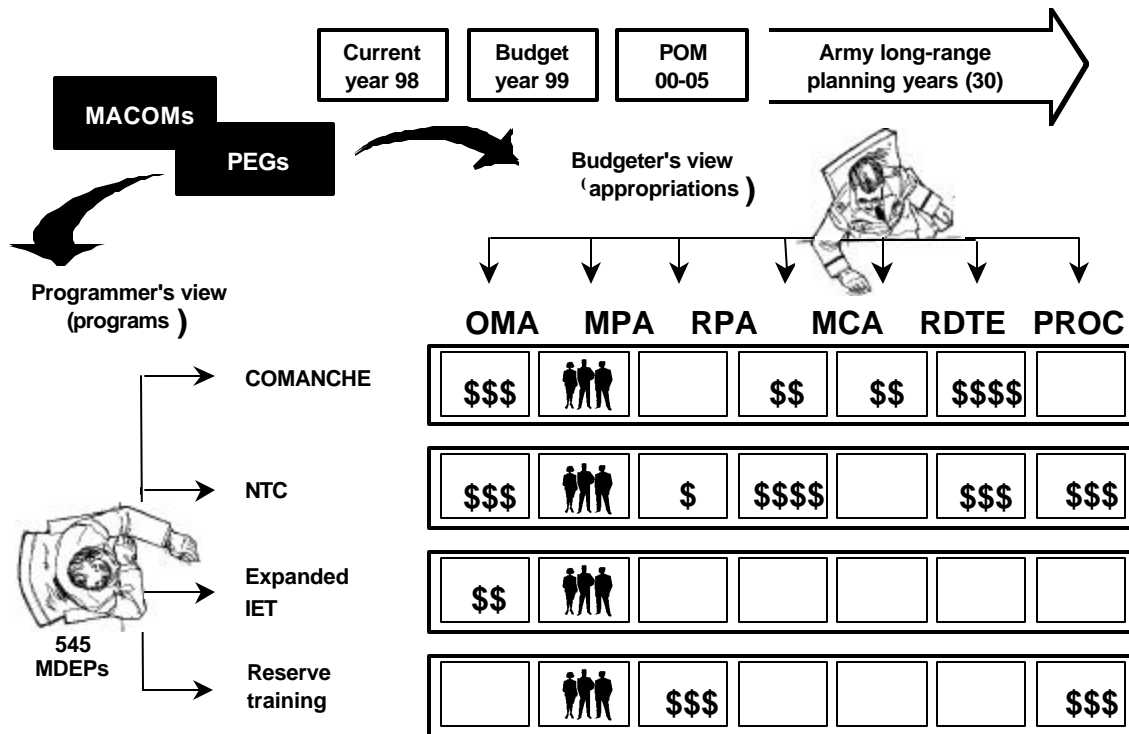


Figure 9-15

development, however, the ASA (FM&C) member helps the PEG maintain a complementary budget perspective that translates mission outputs to congressional appropriation requests.

Figure 9-15 shows this complementary way that programmers and budgeters view resource requirements. The display shows from left to right the manpower and dollars needed carry out missions and functions. From top to bottom, it shows how these requirements distribute to form appropriation requests to Congress.

BES Preparation.

HQDA submits the BES to OSD in September each year. The BES covers the first 2 years of the program approved by the PDM. Ideally little or no data would change between submitting the POM and the BES. Then,

preparing the BES would simply mean preparing budget exhibits required by OSD. In fact, however, several events cause HQDA to readdress certain POM decisions.

PDM decisions. If OSD publishes the PDM beforehand, the BES will reflect the resource changes reflecting PDM decisions and guidance.

Budget guidance. Two OSD budget guidance documents affect BES content. Volumes 2A and 2B of the DOD Financial Management Regulation prescribe various exhibits and displays to be used in presenting the budget. Also, an annual budget call memorandum provides such supplemental information as current rate and pricing guidance. Supplementing these documents, ASA (FM&C) also issues administrative instructions for preparing the BES.

Congressional action on the current budget. Concurrent with Army program-budget development, Congress reviews the budget for the upcoming fiscal year. In the summer of 1999, for example, when the Army begins preparing its FY 2001 BES, Congress will be deliberating the FY 2000 budget. The Army will track congressional actions that result and make appropriate adjustments in the FY 2001 BES.

Rate and pricing changes. Changes occur in rates and prices available before submitting the POM. Later information provided by OSD will, for example, likely alter AWC rates, fuel rates, inflation guidance, and pay raise guidance.

Inter- and intra-Service transfers. When missions are to be transferred between MACOMs or Services, the calculation and approval of data regarding the accompanying resources usually lags until summertime. Unavailable at POM submission such resource changes must later be incorporated into the BES.

Execution performance. At each PPBES decision point, the Army considers how current activity may affect future programs and budgets. It uses the information to adjust future resource allocations. Typical changes in allocations, for example, might reflect the results of acquisition program reviews, unanticipated but unavoidable cost growth, and initiation of contingency missions likely to extend into the program and budget years.

BES Review and Approval.

Appropriation sponsors brief the results of their analyses to the PPBC when presenting

appropriation budgets for approval. Just as budgeters participate in the decisionmaking process that results in the submission of the POM, so do the PEGs participate in the decisionmaking process that produces the BES. They do this by providing a programmatic assessment of the resource allocation changes that are proposed by budget analysts. The DASA (B) chairs the PPBC while it discusses the issues and alternatives to appropriation sponsor proposals.

The PPBC reviews the “scrub” of appropriation budget estimates to make sure they reflect SA and CSA guidance. It then presents summary budget estimates to the ARB for review and final decision.

Once the proposed estimates receive approval, appropriation sponsors, aided by managers for program and performance, prepare detailed justification books and furnish DPAE update tapes reflecting the approved BES. The DASA (B) prepares the executive summary of the budget and a forwarding letter from the SA to the SECDEF. Separately, the DASA (B) submits the justification books by appropriation to OSD, and the DPAE submits an update tape for the FYDP. The combined events constitute the Army’s BES to OSD.

OSD-OMB budget review. Members of OSD and OMB jointly review the BES. Also called the fall review, the joint review focuses on proper pricing, reasonableness, and executability.

Appropriation and program sponsors provide appropriation and program overviews at OSD-OMB hearings and respond to questions on the budget submission. Based on the hearings and discussions with Army budget analysts, OSD analysts draft Program Budget Decisions (PBDs) for review and coordination.

PBDs usually present at least one alternative to the BES position in the budget area addressed. An alternative poses dollar and manpower increases or decreases. They may be issued based on errors or on the strength of the justification. Sometimes they are motivated by cost savings or the need to reflect changes in policy. Sometimes they result from analytical disagreement. Whatever the reason, the Army analyzes each PBD and responds to OSD, either agreeing or disagreeing with the OSD position.

ASA (FM&C) meets with the USD (Compt) at periodic Service financial manager meetings. At these meetings, toward the end of the PBD cycle, ASA (FM&C) presents Financial Management (FM) Direct Appeals. In the appeals, the Services try to reverse inappropriate OSD positions on critical issues raised by PBD alternatives before OSD's final decision.

After the DEPSECDEF or USD (Compt) has signed most PBDs, each Service identifies certain pending decrements as Major Budget Issues (MBIs). Army MBIs center on decrements to specific initiatives or broad issues that would significantly impair ability to achieve program intentions. An MBI addresses the adverse impact that would occur if the decrement were to prevail. JCS coordinates MBIs affecting a combatant command to get CINC comments and, if appropriate, CINC support. At the end of the PBD process, the SA and CSA meet with the SECDEF and DEPSECDEF on MBIs. The SECDEF decides each issue, if necessary meeting with OMB or the President to request additional funds or recommend other action.

In December, at the end of the PBD cycle, OSD normally issues a final PBD or OSD memorandum incorporating any changes from MBI deliberations, thus completing the

PBD process. OSD then issues each Service its final TOA and manpower controls. The DASA (B) incorporates the final changes in the developing President's Budget while the DPAE uses the information to adjust or revalidate the program.

The DASA (B) supervises the PBD and MBI processes and throughout the review:

- Maintains coordination between the USD and HQDA.
- Makes sure that adjustments to fiscal controls are correct on all records for each PBD. (Verification of corresponding manpower controls is an ASA (M&RA) responsibility.)
- Gives special attention to any PBD under appeal since the DEPSECDEF may revise the pending adjustments on review.

President's Budget. After implementing the final resource distribution at the budget activity and object class level, Army sends the information to OSD. OSD and OMB forward the information as the Army's portion of the Defense budget, which OMB incorporates into the President's Budget.

The President's Budget covers prior year obligations and updated resource estimates for the current year. It also covers TOA estimates for the budget year and budget year plus 1.

Budget analysts translate decisions into program changes, posting PEs, MDEPs, and command distributions, as required. Managers for program and performance update their internal systems.

DASA (B) forwards database update tapes to DPAE, and DPAE updates Probe to produce the President's Budget FYDP. (As mentioned, a 1987 statutory change (10 USC

114a) requires DOD to submit a President's Budget FYDP to Congress each year.)

Justification.

Budget hearings. During budget justification, the Army presents and defends its portion of the President's Budget before Congress. The process proceeds formally and informally under the staff supervision of the Chief of Legislative Liaison and ASA (FM&C).

After the President formally submits the budget, the Army provides detailed budget justification to the authorizing and appropriations committees. First, however, appropriation sponsors will have prepared material in Army justification books to conform with decisions of the President and SECDEF and congressional requirements for formats and supporting information. Justification books undergo internal Army review under ASA (FM&C) and are then sent to OSD for final review.

The Senate Armed Service Committee (SASC) and House Armed Services Committee (HASC) conduct authorization hearings for the various programs and appropriations. Concurrently, the Army's budget request goes before the House and Senate Appropriation committees. In these hearings, the SA and the CSA normally testify first. Then, helped by ASA (FM&C) and the Chief of Legislative Liaison, appropriation sponsors and functional proponents present and defend the details of the budget.

Legislative Approval and Enactment. When the congressional subcommittees complete their review, the Senate and House vote on the committee bills. Differences between the Senate and House versions get resolved via a joint conference.

Budget justification ends when the President signs the authorization and appropriation bills for the coming fiscal year. Enacted into law, Army appropriations provide the legal authority to incur obligations and make payments.

Continuing Resolution Authority.

When Congress fails to pass an appropriation by the end of September, it may pass a continuing resolution. Continuing resolution authority (CRA) derives from emergency legislation that authorizes the funding of Government operations in the absence of appropriations. A temporary measure, the CRA usually restricts funding to the prior year level and prohibits new initiatives. HQDA separately publishes specific policy on how the Army will operate under the CRA.

Failure to pass either an appropriation or CRA could result in a temporary close down of government operations. Normally, however, until an appropriation or CRA is enacted, DOD would continue minimum essential operations based on the requirements of national defense.

EXECUTION PHASE

Execution.

During execution the Army manages and accounts for funds and manpower to carry out approved programs. It checks how well HQDA, MACOMs, PEOs, PMs, and other operating agencies use allocated resources to carry out program objectives. Through the Army Joint Reconciliation Program, it strengthens financial accounting and management to make sure financial reports accurately reflect the results of budget execution. The Army, (and of even greater importance) OSD and Congress apply

execution feedback to adjust resource requirements.

This section describes budget execution. The section that follows addresses program performance and review.

Financial Management.

Budget execution applies the funds appropriated by Congress to carry out authorized programs. The procedure entails apportioning, allocating, and allotting funds; obligating and disbursing them; and associated reporting and review. The procedure also entails performing in process evaluations and making necessary course corrections to reallocate resources to meet the changing requirements that develop during execution.

The Joint Reconciliation Program applies the skills of those responsible for various aspects of financial management. The skills include those of accountants, budget and program analysts, contracting professionals, logisticians, and internal review auditors. The program applies the combined skills to verify the validity of unliquidated obligations, contractor work in process, billing status, and the continued need for goods and services not yet delivered. The program achieves dollar savings by identifying and canceling obligations for goods and services no longer needed or duplicative. The program also reconciles current appropriations to verify the correctness of amounts obligated. In addition, the program assures the liquidation of appropriations to be canceled by the end of the fiscal year.

Budget execution includes financing unbudgeted requirements that result from changed conditions unforeseen when submitting the budget and having higher priority than the requirements from which funds are diverted (reprogramming).

Funds Control. Several events must occur before the Army can execute its programs for a new fiscal year under a new appropriations act. OMB must apportion the appropriations, which provides obligation/budget authority. The Department of the Treasury must issue a Treasury Warrant providing cash. Finally, program authority must be released by the USD (Compt). Before the Army can execute its programs for the new fiscal year, all these authorities must be loaded into the Program Budget Accounting System (PBAS). Additionally, PBAS must be loaded with execution restrictions in accordance with congressional language, and undistributed decrements must be spread to appropriate program.

Apportionment. An apportionment distributes funds by making specific amounts available for obligation. The apportionment requests (DD II 05s) are prepared by the Office of the Deputy ASA for Budget within 5 days of the availability of an appropriations act and in response to approved reprogramming requests, supplementals, or rescissions. The apportionment requests are approved or revised by OSD and submitted to OMB for approval. OMB approves, changes, or disapproves the requests and returns apportionments through OSD to the Army for entry into PBAS.

OMB apportions the operating accounts (O&M, Military personnel (Mil Pers), and Army Family Housing, Operations [AFHO]) quarterly. It apportions the investment accounts (RDT&E, Procurement, Military Construction (MILCON), and Army Family Housing, Construction [AFHC]) initially for the entire amount of the appropriation. The apportionment determines the Budget Authority

(BA) available in PBAS. For the operating accounts—even after releasing the entire program to the command—it is the cumulative amount of BA issued to commands and agencies by quarter that determines the execution level for the appropriation

Program Release. For the investment accounts, the Army releases program and budget authority in equal amounts. The USD releases the program to the Army for execution. For the procurement appropriations (Aircraft, Missiles, Weapons & Tracked Combat Vehicles, Ammunition, and Other Procurement) the program is released at the budget line item (BLIN) level. For the RDT&E appropriation, the program is released at the program element (PE) level. These are the same levels as those authorized and appropriated by Congress and reported in the DD 1414 and DD 1416 Reports (which are provided to Congress to show execution changes to appropriated amounts). Both the MILCON and the AFHC appropriations are released at the project level as contained in the conference report accompanying the Military Construction Appropriations Act. The program release for the operating accounts, O&M and Mil Pers, are contained in the obligation authority (OA) letter issued by the USD (Compt). A separate OA letter is issued for AFHO.

Allocation, Obligation, and Reconciliations. Guided by appropriation and fund sponsors at HQDA and via PBAS, ASA (FM&C) allocates apportioned funds to commands and agencies.

Operating agencies, in turn, make funds available to subordinate commands and installations by an allotment. Allotments authorize users to place orders and award contracts for products and services to carry out approved programs. Installations obligate funds

as orders are placed and contracts awarded. They make payments as materiel is delivered or as services are performed. Finally installations, commands, and appropriation sponsors conduct joint reconciliations. Reconciliations make sure financial statements and reports accurately represent the results of the apportionment, allocation, and allotment program. Reconciliations also make sure payments align properly with supporting obligations.

Changes from the President's Budget. After appropriations are enacted, appropriation sponsors and the Army Budget Office review the legislation to determine changes which include congressional adds, denial of programs, or changes to the funding level as submitted in the budget. Changes also include identification of congressional special interest items, undistributed reductions, and any language relating to execution of the programs. These changes are applied to amounts loaded into PBAS.

Appropriation sponsors must determine how to spread any undistributed reductions. In addition, they may also have to spread some unapplied reductions in the appropriations act, which are distributed to the Services (and appropriations) during the PBD cycle.

For those reasons, the actual funding level for a particular project, BLIN, PE, or budget activity may not be finally set until several months into the new fiscal year. This is so even if the appropriations act is passed before October 1, and the ultimate funding level for individual programs will almost certainly be less than shown in the joint conference reports.

Funding Letters for O&M and AFHO. HQDA issues funding letters to commands and agencies for both OMA and

AFHO. ARNG and USAR issue their own funding letters for their O&M appropriations. The letters indicate funded programs and give guidance on how they should be executed. They also provide an audit trail from the resource position in the President's Budget to the revised, appropriated position. The OMA funding letter outlines the funding posture and goals set by the senior Army leadership for command execution. Preparing and issuing the funding letter takes about 30 days after the appropriation act is passed.

Revised Approved Program for RDT&E.

HQDA issues a Revised Approved Program (RAP) for the RDT&E appropriation. The RAP shows the congressional changes at both the PE and project level. In addition, the RAP spreads general reductions at the project level. It includes the amounts set aside for the Small Business Innovation Research Program (SBIR) and the Small Business Technology Transfer Pilot Program (STTR) as specified in Public Law 102-564. The RAP also includes amounts withheld by the USD (Compt) and DA and provides language on congressional restrictions as well as congressional special interest items. Because of the level of detail and the extensive information included, the RAP is not available until several months after the appropriations act is enacted.

Program Budget Accounting System.

The PBAS is used to issue both the program and BA to commands and agencies for all appropriations. After appropriation directors determine the revised appropriated level for each appropriation, the amounts are adjusted in the PBAS. Program and BA are released in equal amounts for all appropriations

except Mil Pers, O&M, and AFHO. These accounts receive the total program for the fiscal year but receive BA quarterly throughout the year. BA controls the total amount of obligations a command or agency can execute through any given quarter but allows flexibility in applying BA against the program received.

PBAS uses special reprogramming keys either to allow commands and agencies to move the program below threshold or to restrict the ability to reprogram below threshold to the DA level. The use of the keys in PBAS varies from one appropriation to another. Special keys may also be used in PBAS to identify congressional special interest items or programs that have been denied by Congress.

PBAS agrees with the program detail contained in DFAS-IN Manual 37-100**: The Army Management Structure (AMS). Changes to PBAS can only be made at the DA level and must be approved as a change to DFAS-IN Manual 37-100**. This pamphlet initially agrees with the detail obtained in the President's Budget request and is changed to incorporate congressional adds. Any additional changes may be controlled by congressional language and vary from one appropriation to another.

ASA (FM&C) controls PBAS at the DA level. The appropriation sponsor may request the release of the program and BA, or below threshold reprogramming actions. The Office of the Deputy ASA for Budget (SAFM-BUC-E) reviews requests for compliance with congressional language and USD guidance before entering the action in PBAS. PBAS produces documents that display both BA and the program. The documents include a section for remarks for executing the program and footnotes that provide statutory restrictions according to the revisions of 31 USC 1517.

Obligation and Outlay Plans.

During December and January, the ASA (FM&C), in coordination with field activities and appropriation sponsors, develops obligation and outlay plans. The obligation plans address unexpired funds for all Army appropriations. The outlay plans address unexpired and expired funds.

The ASA (FM&C) sends completed obligation and outlay plans to the USD (Compt). Based on command estimates of annual obligations, the plans tie to obligation and outlay controls in the President's Budget. The importance of the outlay plan is that it is directly tied to the projected amounts the Treasury must borrow to maintain proper balances to meet expected disbursements (outlays). Actual execution greatly in variance with the outlay plan can result in the Treasury having to pay more than necessary to borrow money.

Financing Unbudgeted Requirements.

Congress recognizes the need for flexibility during budget execution to meet unforeseen requirements or changes in operating conditions, including those to address minor, fact-of-life financial changes. Congress accepts that rigid adherence to program purposes and amounts originally budgeted and approved would jeopardize businesslike performance.

Thus, within stated restrictions and specified dollar thresholds, Congress allows federal agencies to reprogram existing funds to finance unfunded requirements. Typically, reprogramming diverts funds from undertakings whose requirements have lower priority than the new requirements being financed.

Congressional language on reprogramming, which varies by appropriation

controls the Army's ability to move the program within appropriations (below threshold reprogramming). Moving the program in excess of specified limits requires congressional approval via a formal reprogramming (DD 1415) request. Moving amounts between appropriations always requires a formal reprogramming request.

Provided reprogramming authority is not required, another way to finance unfunded requirements is to apply obligation authority harvested from joint reconciliations. This means uses unexpired funds originally obligated against a contract or order but identified as excess to the need and subsequently deobligated. Reutilizing funds in this way gives allotment holders greater leverage in executing the budget and increases the buying power of the Army's financial resources.

FY 91 marked the first year of Omnibus Reprogramming, which, except for construction accounts, consolidated all DOD reprogramming actions into one very large reprogramming action which identified all DOD reprogramming requirements at one time. This allowed the Congress and DOD to set priorities for limited funding and make smarter decisions.

Oversight of Nonappropriated Funds.

Applying various methods, the ASA (FM&C) also oversees nonappropriated funds. One method is by participating on the Morale, Welfare, and Recreation (MWR) Board of Directors. The Deputy Assistant Secretary of the Army (FM&C) is a voting member of the MWR Executive Committee. In addition, the Deputy Assistant Secretary of the Army (FM&C) chairs the Audit Committee, and the Deputy Assistant Secretary of the Army for Resource Analysis and Business Practices serves on the Investment Subcommittee. Through these positions the ASA (FM&C)

influences virtually all aspects of MWR financial policy. As part of the responsibility of overseeing nonappropriated funds, the ASA (FM&C) presents nonappropriated funds issues to the SA and CSA for resolution.

Program Performance and Review.

Program Implementation. MACOMs, PEOs, PMs, and other operating agencies carry out the approved program within manpower and funds provided. They review budget execution, account for and report on use of allocated funds by appropriation and MDEP. As applicable to each appropriation, they include FYDP program and subprogram, AMSCO, PE, project number, BLIN, BAG, and EOR. They also account for use of allocated manpower by Unit of Identification Code (UIC). The manpower and financial data obtained help commands and agencies develop future requirements.

Quarterly Army Performance Review. ASA (FM&C) oversees a management review of Army Programs via the QAPR. The QAPR compares program performance with objectives set at the beginning of the fiscal year by HQDA staff principals. These officials personally present the review to the SA and CSA on a quarterly basis.

Army Strategic Management Plan. The Army Strategic Management Plan (SMP) provides another review forum. The SMP ties to the Army mission, vision, and planning guidance. It also links to the QDR, DOD's strategic plan under GPRA. The SA and CSA use the SMP to manage key policy and resource driven initiatives and planned economies—undertakings judged important to realizing the Army vision and meeting

performance objectives of DOD corporate goals.

The SA and CSA assemble HQDA principals quarterly for an offsite progress review. There, they assess performance under the plan and bring senior leader focus and resources to bear where needed.

Review of Selected Acquisition Systems. The means for checking system program performance include milestone reviews of designated acquisition programs by the Army Systems Acquisition and Review Council conducted by ASA (ALT) and the VCSA.

SUMMARY

This account describes how, at the beginning of 1999, the PPBS and its Army PPBES counterpart produce a departmental plan, program, and budget. From its inception in 1962, the PPBS has evolved continuously in terms of system responsibilities, framework, and products, leading over time to greater participation by the Joint Staff, Services, and CINCs. Figure 9-12, shown earlier, lists the events occurring in a typical PPBS/PPBES cycle. Figure 9-16 shows the organizational framework within which the process operates.

PPBES

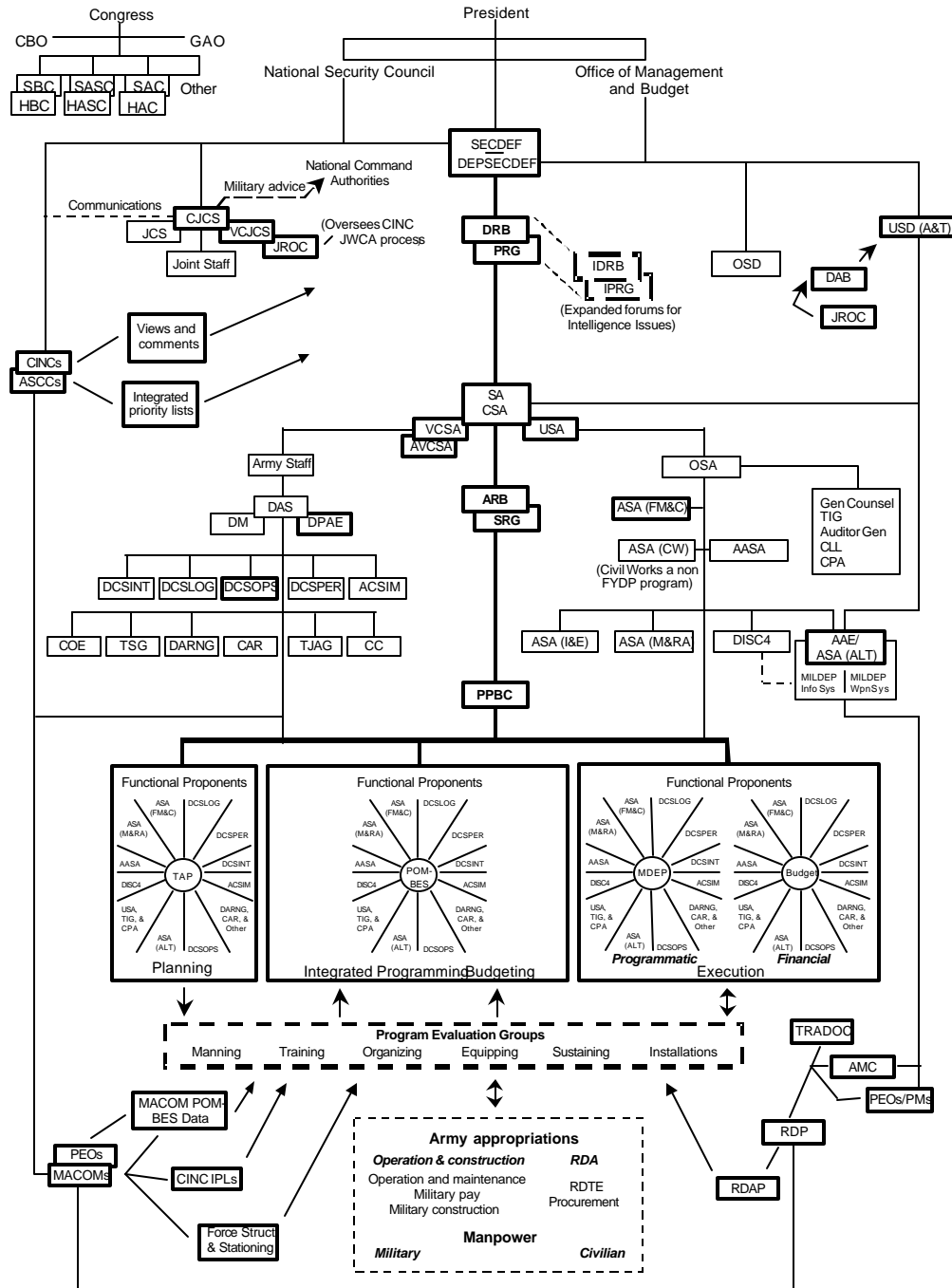


Figure 9-16

The Army's PPBES serves as the its primary resource management system. It differs from the DOD counterpart in two ways. First, the PPBES merges programming and budgeting into a single, integrated programming-budgeting phase. Next, the PPBES adds execution as a distinct system phase.

The PPBS/PPBES ties strategy, program, and budget all together. It helps build a comprehensive plan in which budgets flow from programs, programs from requirements, requirements from missions, and missions from national security objectives. The patterned flow—from end purpose to resource cost—defines requirements in progressively greater detail.

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- (3) U.S. Department of the Army. *Army Regulation 1-1, Planning Programming, Budgeting, and Execution System*, 30 January 1994.
- (4) U.S. Department of the Army. *Army Regulation 10-5, Headquarters*, Department of the Army, 30 November 1992.